



This is a digital copy of a book that was preserved for generations on library shelves before it was carefully scanned by Google as part of a project to make the world's books discoverable online.

It has survived long enough for the copyright to expire and the book to enter the public domain. A public domain book is one that was never subject to copyright or whose legal copyright term has expired. Whether a book is in the public domain may vary country to country. Public domain books are our gateways to the past, representing a wealth of history, culture and knowledge that's often difficult to discover.

Marks, notations and other marginalia present in the original volume will appear in this file - a reminder of this book's long journey from the publisher to a library and finally to you.

### Usage guidelines

Google is proud to partner with libraries to digitize public domain materials and make them widely accessible. Public domain books belong to the public and we are merely their custodians. Nevertheless, this work is expensive, so in order to keep providing this resource, we have taken steps to prevent abuse by commercial parties, including placing technical restrictions on automated querying.

We also ask that you:

- + *Make non-commercial use of the files* We designed Google Book Search for use by individuals, and we request that you use these files for personal, non-commercial purposes.
- + *Refrain from automated querying* Do not send automated queries of any sort to Google's system: If you are conducting research on machine translation, optical character recognition or other areas where access to a large amount of text is helpful, please contact us. We encourage the use of public domain materials for these purposes and may be able to help.
- + *Maintain attribution* The Google "watermark" you see on each file is essential for informing people about this project and helping them find additional materials through Google Book Search. Please do not remove it.
- + *Keep it legal* Whatever your use, remember that you are responsible for ensuring that what you are doing is legal. Do not assume that just because we believe a book is in the public domain for users in the United States, that the work is also in the public domain for users in other countries. Whether a book is still in copyright varies from country to country, and we can't offer guidance on whether any specific use of any specific book is allowed. Please do not assume that a book's appearance in Google Book Search means it can be used in any manner anywhere in the world. Copyright infringement liability can be quite severe.

### About Google Book Search

Google's mission is to organize the world's information and to make it universally accessible and useful. Google Book Search helps readers discover the world's books while helping authors and publishers reach new audiences. You can search through the full text of this book on the web at <http://books.google.com/>

National board of fire underwriters.

368.1

Proceedings of the 29th annual meeting. 1895.

N277p

N277p

PROCEEDINGS  
OF THE  
29<sup>TH</sup> ANNUAL MEETING  
OF THE  
NATIONAL BOARD  
OF FIRE UNDERWRITERS.

---

MAY 9, 1895.

PROCEEDINGS  
OF THE  
29<sup>TH</sup> ANNUAL MEETING  
OF THE  
NATIONAL BOARD  
OF FIRE UNDERWRITERS.

---

MAY 9, 1895.

11  
9779

PROCEEDINGS  
OF THE  
TWENTY-NINTH ANNUAL MEETING  
OF THE  
NATIONAL BOARD  
OF  
FIRE UNDERWRITERS,

HELD AT  
THE ROOMS OF THE NEW YORK BOARD,

32 NASSAU ST.,

NEW YORK, THURSDAY, MAY 9, 1895.

PRINTED BY

STYLES & CASH,  
NEW YORK.

STYLES & CASH, Printers and Stationers, 77 Eighth Avenue.

1895.  
H O

• • •

[illegible]

# NATIONAL BOARD OF FIRE UNDERWRITERS.

---

## + OFFICERS. +

### *President :*

E. A. WALTON, of the Citizens' Insurance Co., - New York.

### *Vice-President :*

WM. B. CLARK, of the Aetna Insurance Co., - Hartford.

### *Secretary :*

ROBT B. BEATH, of the United Firemen's Insurance Co., Philadelphia.

### *Treasurer :*

FRED. W. ARNOLD, of the Equitable Fire and Marine  
Insurance Co., - - - - - Providence.

---

## EXECUTIVE COMMITTEE.

MARSHALL S. DRIGGS, *Chairman*, New York.

WM. B. CLARK, Hartford.  
JAMES A. SILVEY, New York.  
E. L. ELLISON, Philadelphia.  
E. C. IRVIN, Philadelphia.  
J. A. MACDONALD, New York.

HUGO SCHUMANN, New York.  
HENRY W. EATON, New York.  
E. G. RICHARDS, Hartford.  
GEO. P. SHELDON, New York.  
J. J. CLARK, Detroit.

HENRY K. MILLER, 156 Broadway, New York, *Secretary*.



### **Commission on Finance**

*Chairman: WILLIAM W. WALKER, New York*

*Members: J. P. MOHR, New York; J. H. WALKER, New York; J. H. WALKER, New York; J. H. WALKER, New York*

### **Commission on Legislation and Jurisdiction**

*Chairman: J. H. WALKER, New York*

*Members: J. H. WALKER, New York; J. H. WALKER, New York; J. H. WALKER, New York; J. H. WALKER, New York*

### **Commission on Legislation and Jurisdiction**

*Chairman: J. H. WALKER, New York*

*Members: J. H. WALKER, New York; J. H. WALKER, New York; J. H. WALKER, New York; J. H. WALKER, New York*

### **Commission on Legislation and Jurisdiction**

*Chairman: J. H. WALKER, New York*

*Members: J. H. WALKER, New York; J. H. WALKER, New York; J. H. WALKER, New York; J. H. WALKER, New York*

### **Commission on Form of Policy**

*Chairman: J. H. WALKER, New York*

*Members: J. H. WALKER, New York; J. H. WALKER, New York; J. H. WALKER, New York; J. H. WALKER, New York*

### **Commission on Construction of Buildings**

*Chairman: J. H. WALKER, New York*

*Members: J. H. WALKER, New York; J. H. WALKER, New York; J. H. WALKER, New York; J. H. WALKER, New York*

**Committee on Fire Departments, Fire Patrols and Water Supply.**

C. C. LITTLE, New York, *Chairman.*

HENRY E. BOWERS, New York.		ROBT. B. BEATH, Phila.
N. W. MESEROLE, New York.		JOHN H. MITCHELL, Hartford.

---

**Committee on Lighting, Heating and Patents.**

HENRY H. HALL, New York, *Chairman.*

J. H. WASHBURN, New York.		JAS. NICHOLS, Hartford.
E. F. BEDDALL, New York.		R. DALE BENSON, Philadelphia.

---

**Committee on Adjustments.**

J. MONTGOMERY HARE, New York, *Chairman.*

W. L. BIGELOW, New York.		H. H. HALL, New York.
C. S. HOLLINSHEAD, Philadelphia.		JAS. H. BREWSTER, Hartford.

---

**Committee on Membership.**

CHARLES SEWALL, New York, *Chairman.*

CLARENCE E. PORTER, Philadelphia.		W. R. LYMAN, New Orleans.
ROBT. T. BONSALE, Cincinnati.		C. LYMAN CASE, New York.

## ROLL OF NATIONAL BOARD MEMBERSHIP.

Ætna.....	Hartford.
Agricultural.....	Watertown, N. Y.
Albany.....	Albany, N. Y.
American Fire.....	New York.
American Fire.....	Philadelphia.
Broadway.....	New York.
Caledonian.....	Edinburgh.
Cincinnati.....	Ohio.
Citizens'.....	New York.
Commerce.....	Albany, N. Y.
Commercial Union.....	London.
Connecticut Fire.....	Hartford.
Continental.....	New York.
Crescent.....	New Orleans.
Delaware.....	Philadelphia.
Detroit Fire and Marine.....	Detroit.
Empire City Fire.....	New York.
Equitable Fire and Marine.....	Providence, R. I.
Farragut Fire.....	New York.
Fire Association.....	Philadelphia.
Fire Insurance Company, County of Philadelphia.....	Philadelphia.
Fireman's Fund.....	San Francisco.
Franklin Fire.....	Philadelphia.
Germania Fire.....	New York.
German-American.....	New York.
German-American.....	Washington, D. C.
Greenwich.....	New York.
Glens Falls.....	Glens Falls.
Hamburg-Bremen Fire.....	Germany.
Hanover Fire.....	New York.
Hartford Fire.....	Hartford.
Home.....	New York.
Imperial Fire.....	London.
Indiana.....	Indianapolis.
Insurance Company of North America.....	Philadelphia.
Insurance Company State of Pennsylvania.....	Philadelphia.
Lancashire.....	England.
Lion Fire.....	London.
Liverpool and London and Globe.....	Liverpool.
London Assurance Corporation.....	London.
London and Lancashire.....	Liverpool.

Manchester.....	England.
Mechanics' and Traders'.....	New Orleans.
Merchants'.....	Providence, R. I.
Merchants'.....	Newark, N. J.
Michigan Fire and Marine.....	Detroit.
National Fire.....	Hartford.
New England Fire.....	Rutland, Vt.
New Zealand Fire and Marine.....	San Francisco.
Niagara Fire.....	New York.
North American.....	Boston.
North British and Mercantile.....	London & Edinburgh
Northern Assurance.....	London.
Norwich Union Fire Insurance Society.....	England.
Orient.....	Hartford.
Palatine.....	England.
Pennsylvania Fire.....	Philadelphia.
Phenix.....	Brooklyn.
Phoenix Assurance.....	London.
Phoenix.....	Hartford.
Planters' Fire and Marine.....	Memphis, Tenn.
Prussian National.....	Germany.
Queen.....	New York.
Reading Fire.....	Reading, Pa.
Reliance.....	Philadelphia.
Royal.....	Liverpool.
Scottish Union and National.....	Edinburgh.
Spring Garden.....	Philadelphia.
Southern.....	New Orleans.
Standard.....	Trenton, N. J.
Sun Insurance Office.....	London.
Sun Mutual.....	New Orleans.
Transatlantic Fire.....	Germany.
Union.....	Philadelphia.
Union Assurance Society.....	London.
United Firemen's.....	Philadelphia.
United States Fire.....	New York.
Virginia Fire and Marine.....	Richmond.
Virginia State.....	Richmond.
Westchester Fire.....	New York.
Western Assurance.....	Toronto.
Williamsburg City Fire.....	New York.



extent and from such locations as, in their judgment, the general interest may require, and to fill such vacancies as may occur.

The said Officers and Members of the Executive Committee shall be chosen by ballot.

The Association shall also have power to appoint such other Standing Committees as the requirements of its business may make necessary.

The Association shall also have power to make such By-Laws for the government of its affairs as may become necessary.

This Constitution can be altered or changed only at an annual or called meeting of the Board, thirty days' previous notice of the alteration having been given to the members, and then only by a vote of two-thirds of the members present at the meeting, at which twenty members shall constitute a quorum.

---

## BY-LAWS.

---

### OF MEETINGS.

The annual meeting shall be held on the second Thursday in May in each year, in the City of New York, unless some other place be designated by the Board at its next preceding meeting, or by the Executive Committee at least one month previous to such meeting. There may also be held a semi-annual meeting at such time and place as the Board or the Executive Committee may direct.

Special meetings may be called by the President, on the request of the Executive Committee, or on the written request of thirteen members. At all meetings, twenty members shall constitute a quorum for the transaction of business.

### OF OFFICERS.

The President of the Board shall be *ex-officio* member of the Executive Committee, and of all Standing Committees of the Board.

The Vice-President, Secretary and Treasurer shall also be *ex-officio* members of the Executive Committee.

Ex-Presidents of the Board, while remaining officers of Fire Insurance Companies, members of the Board, shall be honorary members of the Executive Committee.

### OF EXECUTIVE COMMITTEE.

At the annual meeting in April, 1877, there shall be elected an Executive Committee, to consist of eleven members, who shall be Officers or Managers of Companies. The members of the Committee shall hold office one, two and three years; three of the same shall go out of office at the end of the first term after their election, four at the end of the

second year, and four at the end of the third year. Immediately after said election, the Executive Committee elected shall meet and draw lots to determine their terms of one year, two years, and three years. At each subsequent annual meeting, members of the Executive Committee shall be elected for three years to fill the places of those whose terms of office shall then expire.

No member of the Executive Committee shall be eligible to a re-election until one year has elapsed after the expiration of the term of office then held by him.

No Company shall be represented on such Committee by more than one officer. Each Company a member of the Board, and which is not at the time represented on the Committee, shall be entitled to representation at such meeting with the privilege of the floor and right to vote; but traveling expenses shall be allowed only to the regularly elected members of the Committee.

The said Committee is authorized to exercise all necessary powers to promote the purposes of the Board, as herein declared, and to that end shall consider all measures proposed for the common welfare, and endeavor to secure the adoption by its members of all such measures as shall, in their judgment, be valuable and practicable.

They shall take measures to secure the formation of Local Boards of Underwriters at all points where members of the Board are represented by Agents. They shall also endeavor to procure uniformity in the form of policy to be used, and a more careful mode of writing policies. They shall also consider and recommend some mode of obviating the evils of loose and indefinite underwriting, such as the too general permission of other insurance without notice; the granting of extra privileges without charge; excessive insurance; hasty adjustment and payment of losses, and kindred evils, that the practice of late years has engrafted upon the business of underwriting; and shall also consider any other matters promotive of sound underwriting and the general good of the members of the Board.

The said Committee shall also have power to appoint an officer to be known as the General Agent of the National Board of Fire Underwriters, whose duty it shall be, under the advice and direction of the Committee, to use all proper means to promote the purposes of this Board, and the best interests of all its members; and especially to secure the creation of Local Boards of Fire Underwriters, throughout the country, and the establishment by such Boards of carefully adjusted and uniform rates of premium.

They shall also have power to appoint such number of Supervising Agents, and Special Agents, or Surveyers, as the exigencies of the Board may require, and to fix a compensation for their services.

The Committee may employ such clerical help as may from time to time appear necessary, and determine the compensation for its services, and may also provide rooms suitable for the business of the Board.

OF DUTIES OF MEMBERS.

All the members of this Board shall instruct and direct their Agents to meet other Agents and Companies in their respective localities, and unite with them in fixing local rates of premium, and in maintaining in good faith such rates when so established. They shall also instruct their Agents, that, in the deliberate judgment of the Board, equitable and remunerative rates of premium are imperatively demanded for the ultimate security of policy-holders and the interest of insurance capital.

Every member of this Board shall be in honor and duty bound to co-operate with every other member to accomplish the desired objects and purposes of the Association.

OF EXPENSES.

The expenses of the Board shall be borne by the several Companies forming the same in proportion to the amount of net premiums as reported to State Departments, the expenses of any year to be apportioned upon the receipts for the preceding calendar year.

The assessments shall be made by the Board or the Executive Committee, and be collected by the Treasurer.

No officer or member of the Executive Committee shall receive any compensation for services, except by vote of this Board at its annual meeting.

OF STANDING COMMITTEES.

There shall be appointed by the President, at each annual meeting, the following Standing Committees, to consist of five members each :

A Committee on Finance.

- " Membership.
- " Legislation and Taxation.
- " Incendiarism and Arson.
- " Statistics and Origin of Fires.
- " Construction of Buildings.
- " Fire Departments, Fire Patrols, and Water Supply.
- " Lighting, Heating, and Patents.
- " Adjustments.
- " Form of Policy.

These Committees shall attend to the duties that their several titles imply, and shall report annually to the Board, or may report at any time to the Executive Committee.

OF WITHDRAWALS.

Any Company, a member of this Association, may honorably withdraw from the same by giving three months' notice, and paying all its assessments and dues.



# THEORY OF THE EARTH

THEORY OF THE EARTH

1. The Earth is a sphere.
2. The Earth is a sphere.
3. The Earth is a sphere.
4. The Earth is a sphere.
5. The Earth is a sphere.
6. The Earth is a sphere.
7. The Earth is a sphere.
8. The Earth is a sphere.
9. The Earth is a sphere.
10. The Earth is a sphere.

## THEORY OF THE EARTH

1. The Earth is a sphere.
2. The Earth is a sphere.
3. The Earth is a sphere.
4. The Earth is a sphere.
5. The Earth is a sphere.
6. The Earth is a sphere.
7. The Earth is a sphere.
8. The Earth is a sphere.
9. The Earth is a sphere.
10. The Earth is a sphere.

PROCEEDINGS

OF THE

TWENTY-NINTH ANNUAL MEETING

OF THE

National Board of Fire Underwriters,

HELD AT

THE ROOMS OF THE NEW YORK BOARD OF FIRE UNDERWRITERS,

32 NASSAU STREET.

---

NEW YORK, Thursday, May 9, 1895.

The PRESIDENT, E. A. WALTON, called the meeting to order at eleven o'clock A.M., pursuant to notice.

The following named officers were in attendance:

E. A. WALTON, President; ROBT. B. BEATH, Secretary, and FRED. W. ARNOLD, Treasurer; also E. F. BEDDALL, Chairman, and H. K. MILLER, Secretary of the Executive Committee.

The roll was called by the Secretary, and the following members were found to be represented:

Ætna.....	Hartford.....	J. F. Dudley, V.-Pres.
Albany.....		R. V. De Witt, Secretary.
American Fire.....	Philadelphia....	Chas. P. Frame, Gen. Agt.
Citizens'.....	New York....	{ E. A. Walton, President.
		{ Frank M. Parker, Sec.
Delaware Ins. Co.....	Philadelphia....	Tattnall Paulding, Pres.
Empire City Fire.....	New York .....	Lindley Murray, Jr., Pres.

Equitable Fire and Marine.....	Providence.....	Fred W. Arnold, Pres.
Fire Association ....	Philadelphia...	{ E. C. Irvin, President. B. T. Herkness, Sec.
German-American.....	New York .....	James A. Silvey, V.-Pres.
Greenwich .....	New York.....	M. A. Stone, President.
Hamburg-Bremen.....	Germany.....	F. O. Affeld, Mgr., N. Y.
Hanover Fire.....	New York.....	I. Remsen Lane, Pres.
Hartford Fire.....		{ Chas. E. Chase, } Asst. Thos. Turnbull, } Secs.
Home .....	New York....	{ D. A. Heald, President, J. H. Washburn, V.-Pres.
Imperial.....	England.....	{ J. J. Courtney, Associate Mgr., New York.
Ins. Co. of North America.....	Philadelphia...	Greville E. Fryer, Sec.
Lancashire.....	England.....	E. Litchfield, N. Y. Mgr.
Liverpool & London & Globe.....	England.....	{ Geo. W. Hoyt, Deputy Manager, New York.
London Assurance Corporation.....		Chas. L. Case, Mgr., N. Y.
Merchants' .....	Newark, N. J....	J. R. Mullikin, Sec.
Merchants' .....	Providence.....	W. T. Barton, President.
National Fire .....	Hartford .....	B. R. Stillman, Asst. Sec.
Niagara Fire.....	New York....	{ Thos. F. Goodrich, Pres. Harold Herrick, V.-Pres.
North British.....	England.....	H. E. Bowers, N. Y. Mgr.
Northern.....	England .....	Geo. W. Babb, Jr., N. Y. Mgr.
Norwich Union.....	England .....	{ J. Montgomery Hare, Manager, New York.
Orient.....	Hartford.....	Howard W. Cook, Asst. Sec.
Palatine .....	England .....	{ Wm. Bell, Wm. Wood, Asso. Mgrs., N. Y.
Phenix.....	Brooklyn.....	{ Geo. P. Sheldon, Pres. C. C. Little, Vice-Pres.
Queen.....	New York....	{ James A. Macdonald, President.
Reading Fire.....	Reading, Pa...	S. E. Ancona, Sec.
Royal .....	England.....	E. F. Beddall, N. Y. Mgr.
Union Assurance Society.....	London.....	{ E. K. Beddall, Assoc. Mgr., New York.
Union Firemen's.....	Philadelphia ..	Robt. B. Beath, President.
Underwriters' Agency.....	New York....	{ John H. Stoddart, Asst. Gen. Agent.
United States Fire.....	New York....	{ W. W. Underhill, Pres. S. M. Craft, V.-Pres.
Williamsburg City Fire.....	New York.....	Marshall S. Driggs, Pres.
Westchester.....	New York....	{ W. H. Van Every, Gen. Agent.

There were also present, by invitation:

John B. Wight, Pres. Association Fire Underwriters, Washington, D. C.  
 Alfred M. Bullard, President Boston Board Fire Underwriters.  
 Henry B. Barker, President Insurance Association, Providence.  
 Charles E. Chase, President Hartford Board Fire Underwriters.  
 Wm. A. Anderson, Supt. New York Board Fire Underwriters.  
 Wm. M. Randell, Secretary Fire Patrol, New York Board Fire Underwriters.  
 Aug. N. Currier, Worcester, Mass.  
 John W. Murray, New York.  
 Wm. A. Anderson, Supt. New York Board of Fire Underwriters.  
 J. E. Pulsford, New York.

Regrets were presented from the following members unable to be represented:

W. B. Clark, Vice-President of the Board, and President Aetna Hartford.  
 Geo. L. Chase, President Hartford Fire, Hartford.  
 D. W. C. Skilton, President Phoenix, Hartford.  
 C. B. Whiting, President Orient, Hartford.  
 Martin Bennett, Manager Scottish Union and National, Hartford.  
 Charles K. Willis, Secretary Virginia State Insurance Company, Richmond, Va.  
 Scott McGehee, Secretary Southern Insurance Company, New Orleans, La.  
 J. J. Clark, Vice-President Detroit Fire and Marine of Detroit, Mich.  
 F. B. Hunter, Secretary Planters' Fire and Marine, Memphis, Tenn.  
 George H. Frost, Secretary Mechanics' and Traders' of New Orleans, La.  
 Chas. H. Laton, Manager Pacific Department Palatine Insurance Company, San Francisco, Cal.  
 Clarence E. Porter, Secretary Spring Garden, Philadelphia.  
 W. H. McCarthy, Secretary Virginia Fire and Marine, Richmond, Virginia.  
 W. R. Lyman, President Crescent Insurance Company, New Orleans, La.  
 Wm. J. Dutton, Vice-President Fireman's Fund of San Francisco, California.  
 W. W. Dudley, Manager Manchester Fire Assurance Company, Chicago.  
 Chas. R. Peck, President Fire Insurance Company of County of Philadelphia.  
 Robert T. Bonsall, President Cincinnati Insurance Company, Cincinnati, O.  
 G. A. Van Allen, President Commerce, Albany.



## PRESIDENT'S ADDRESS.

GENTLEMEN :

Many of you will doubtless remember that my predecessor stated in his opening address at the last annual meeting that "The year closed with a record of adversity unequalled in the history of American underwriting. Years there have been in which greater single conflagrations were recorded, but for widespread and continuous disaster, the year 1893 stands clear and well outlined from all that have gone before."

I am glad to be able to congratulate you upon the fact that the year 1894 shows a marked contrast with its predecessor, and the results as a whole have been generally gratifying to the Companies who are members of this Board. Let us hope that the gleam of sunshine which this year has brought may not be clouded by any undue competition, nor any loss of interest in the various organizations by whose help in a measure this success has been reached.

I shall not detain you with any extended remarks at this time, but will come at once to the work of the Board and to the statistics of the business for the year in their relation to this organization as well as to the Companies generally doing business throughout the country.

### REPORTS OF COMMITTEES.

The report of the Executive Committee will be called in order.

The Finance and several standing committees may be expected also to report directly to the Board on the several branches of our work committed to them respectively, which will here be only briefly noticed.

The Committee on Legislation and Taxation, in addition to its accustomed attention to bills adverse to our interests, which have appeared in the several State Legislatures, has this year rendered especially acceptable service to Fire Insurance Companies in reference to the Income Tax. Acting with the advice of the Executive Committee, counsel was engaged and ex-

haustive attention given to every inquiry made in the Government blank. The result was that members of the Board were enabled to make uniform reports and to use the same form of protest against the imposition of the tax. This action has, without doubt, resulted in relieving members of uncertainty on disputed points and saving them much annoying correspondence with the Government or Internal Revenue Collectors. I am sure members of the Board recognize and appreciate these services in their behalf by the Committee.

The report of the Committee on Incendiarism and Arson will give the usual facts as to the operation of the Fund. For the year beginning April 1, 1894, 219 rewards were offered, amounting to \$67,575, and 8 were paid, which latter secured the conviction and incarceration of 10 incendiaries. There have been 3414 rewards offered since the Fund was first subscribed, viz., Jan. 1, 1873, amounting to \$1,193,750. The total rewards paid number 181 and amount to \$53,875, securing the conviction and incarceration of 260 incendiaries. Adding to this 92 convictions under the Pacific Coast Fund gives 352 in all.

The Committee on Statistics will report a continuance of its tabulation of statistics of fires in cities of 20,000 population and upward. Attention is especially invited to the difficulties with which the Committee has had to contend in the prosecution of that work as also in its efforts to secure from local Boards attention to the form of classification adopted by the Executive Committee at its meeting of October 25, 1894. The suggestions of the Committee are worthy of careful consideration by the Board. In order that the work of the Committee may be of value, local Boards must make complete and accurate returns, and to accomplish this, positive instructions from Companies to their agents may be required.

The Committee on Construction of Buildings has continued its practice of urging proper action on this important subject wherever such attention appeared to be desirable. As the Chairman of the Committee advised me that absence from the city would prevent his making a report, it may be said that the Committee has during the year, through the office of the Executive Committee, circulated 2000 copies of the pro-

posed building law for medium sized cities, as drafted by a Commission appointed pursuant to Chapter 579, Laws of 1892, New York State. These have been sent chiefly to local boards and Chiefs of Fire Departments. As the proposed law was designed as a State measure, the writer in January addressed officially the Governor of each State, asking consideration of the act and calling attention to the advantage of such a law which would at once bring within its provisions all of the cities of any State adopting it. The communication drew out responses which were courteous and encouraging although not resulting in positive action, so far as I have been informed—a somewhat significant result, taking into consideration the extent to which adverse legislation is annually pushed, to which I shall refer at another point.

The Fire Department Committee will report the engagement of Mr. W. H. Johnson, as Inspector, to fill, until June 1st, the vacancy caused by the resignation of Mr. A. C. Hendrick. The importance of this work commends itself to our entire membership. Not only from an examination of the reports, but from personal attention otherwise given the subject, I am convinced of the value of the service if the full co-operation of Companies and their agents could be relied upon. During a visit to the Northwest last Fall, I made inquiries as to the work in a number of cities, and found evidence of the soundness and need of the Inspector's recommendations, which had awakened interest in the subject even if reforms had not in all cases been accomplished. Some means should be devised so that the Committee may have the full support both of Companies and agents in the future prosecution of its work.

The Committee on Lighting and Heating, whose supervision covers the field of the electrical fire hazard, will report the result of its labors. Its success in securing practically uniform rules throughout the United States designed to insure greater safety in the use of electricity for light or power is an important step which should be appreciated alike by the underwriters and the general public. Now that this has been accomplished it is to be hoped that local Boards and underwriting associations will not depart from the standard regu-



lations thus adopted. Uniformity of requirements is very essential in reference to this hazard, which it is believed has so largely increased the fire risk.

The Chairman of the Committee on Adjustments has intimated that a report may be expected from him which will be looked for with interest as treating of a subject vital to our business.

The Chairman of the Committee on Form of Policy advised me that, although he should submit no formal report, he might make some verbal suggestions on the subject.

The Committee on Membership reports a present roll-call of 82 Companies against 84 a year ago, four members having retired from the business since the last annual meeting—one having withdrawn from the Board—and three companies, the Caledonian of Scotland, the German-American of Washington and the Standard of Trenton, N. J., having joined.

A report may also be expected from Mr. F. O. Affeld, who was the delegate of the Board to the Convention of Fire Engineers held in Montreal in August last. It is manifestly to the interest of underwriters that cordial relations be maintained with this useful organization.

#### DECEASED MEMBERS.

Mr. L. M. Finley, President of the Sun Mutual Insurance Company of New Orleans, died in that city on June 8, 1894. Although his home was too far distant to admit of his attending our meetings frequently, he manifested by correspondence and in other ways much interest in the organization. He was for many years a member of the Committee on Incendiarism and Arson. His loss was keenly felt wherever he was known. Resolutions passed not only by the Company with which he was connected, but also by various Societies in the city of his home, attest to the high worth of the man. The South-Eastern Tariff Association, in session in Washington at the time of his death, voted to record a minute to his memory, as follows:

“He was sincere in friendship, pure and stainless in his walk of life, wise and moderate in counsel. In his death, this association recognizes the loss of a member whose place among us it will be difficult to fill.”

Mr. A. J. Wright, President of the Springfield Fire and Marine Insurance Company, the Company of which Mr. Wright was President, was one of the original members of the Board. Three Presidents of the Company before him, all now deceased, were prominent in the organization, viz., Edmund Freeman, Dwight R. Smith, and J. N. Dunham. Mr. Wright died on the 15th of March, 1895. He was elected President of the Company in 1891 to succeed Mr. Dunham, having been its Treasurer since 1872. He was appointed to the vacancy on our Committee on Legislation, caused by Mr. Dunham's death, and frequently represented his Company at our meetings, becoming well and favorably known. In the community in which he lived Mr. Wright was respected and esteemed, as is evinced by notices of his career in the press of his city. He held many positions of trust, manifesting integrity and faithfulness in all.

Mr. A. F. Wilmarth. It is fitting at this time that we should notice the death of Col. A. F. Wilmarth, who died on Sunday the 31st of March, 1895. Mr. Wilmarth, after a connection with the *Ætna* and the Hartford Insurance Companies, came to New York at the organization of the Home and was continually in its service until the failure of his health in 1886 when he resigned the Vice-Presidency.

Mr. Wilmarth was known throughout the country as an accomplished underwriter, a pleasant gentleman and an agreeable correspondent. It is doubtful whether any insurance officer ever enjoyed more universal popularity than did Col. Wilmarth, and proofs are not wanting that the profession was benefited by his devotion to it. He served on important committees in the early history of the Board and left the impress of his character and ability on all with whom he was associated. Those who enjoyed his acquaintance and friendship will not forget his fund of anecdote and ready wit, while his genial personality will remain with us as a pleasant memory.

William G. Warden, President of the Spring Garden Insurance Co. of Philadelphia, died in that city on the 9th of April, 1895. Although director of the Company for thirteen years, and President during the past four years, yet he was not the

active underwriter of the Company and so was unknown to most of our members outside of his own city. He was honorably connected with various corporations and enterprises and was a man of wide influence and marked ability.

Mr. A. M. Smith, President of the Western Assurance Company of Toronto, died in that city on the 12th of January, 1895. Mr. Smith had been a director of the Company for thirty years and twelve years its President. Although not assuming direction of its underwriting branch he took a deep interest in all that related to the Company's welfare and success. He participated also in public affairs, and had been a member of the city council and represented East Toronto in the Dominion Parliament. At one time President of the Board of Trade, connected with a number of financial institutions, and active in charitable organizations, his life was both honorable and useful, and although unknown to most of us personally we learn from his fellow officers of his worth as a man and of the respect and esteem in which he was held in the city of his adoption.

#### THE STATISTICAL TABLES.

Tables I. to IX., inclusive, embrace the experience of 238 joint stock fire insurance companies, which may be classed as follows:

New York State Companies.....	38
Pennsylvania.....	38
Foreign.....	23
Ohio.....	13
Maryland.....	13
Iowa.....	11
Dist. of Columbia.....	10
Tennessee.....	9
Massachusetts.....	9
Connecticut.....	8
New Jersey.....	8
Louisiana.....	8
Illinois.....	7
Kentucky.....	6
New Hampshire.....	6
Michigan.....	4
Rhode Island.....	3
Miscellaneous.....	24

It may be remarked that a slight change has been made in the arrangement of the tables by omitting all separate quinquennial tables of former years, inasmuch as they were simply a repetition of group periods appearing in other tables. This omission led to a renumbering of the tables following No. VI.

I have introduced a new table (No. IX.), designed to show at a glance the ratios of all the other tables except those of the term business. It will be convenient for those who do not care to take into account the mass of figures appearing in the body of the tables, but only wish to follow the movement of the ratios, which is clearly shown in parallel columns for the thirty-five years since the beginning of the tabulation in 1860. The table follows the same general arrangement as the foregoing ones, placing in separate groups the New York State Companies, Companies of other States, and Foreign Companies, and then combining all. This table is referred to, unless otherwise stated, in the brief review which follows the tables.

CAPITAL AND DIVIDENDS.

---

TABLE I, on the opposite page, shows the number and capital of American Companies, the amount of dividends and the percentage of the same upon capital. It is not intended to show the profits of fire insurance as such, for the reason that it takes no account of the interest earnings of capital, the income from assets, or the rise and fall of securities. *It is no guide to what may be expected to be earned by capital invested in insurance securities, because it does not indicate the large amount lost in or withdrawn from the business from year to year.* It is a noticeable fact that the average of dividends for the past thirty-five years has been only 10.52—a return to the stockholder by no means excessive, in view of the nature of the business and the danger of loss of the entire principal, as has too often been the case during the period covered by this table.

The percentage of dividends paid in 1894 was 9.82 against 9.58 in 1893. It is  $\frac{70}{100}$  of 1 per cent. below the average of 10.52 for the whole period.

TABLE I—*Showing the Ratio of Dividends to each \$100 of Capital.*

## 1 JOINT STOCK FIRE INSURANCE COMPANIES OF THE STATE OF NEW YORK.

Year.	Number of Companies.	Capital.	Dividends.	Ratio.
1860 to '65 incl.	av. 101	145,195,520	13,754,175	9.47
1866 "'70 "	" 104	146,512,830	13,698,601	9.34
1871 "'75 "	" 96	126,285,090	13,894,203	11.00
1876 "'80 "	" 89	126,185,100	15,860,999	12.57
1881 "'85 "	" 65	108,505,100	11,224,495	10.34
1886	60	20,587,020	2,052,708	9.97
1887	57	20,784,020	2,008,080	9.68
1888	55	20,084,020	1,822,255	9.07
1889	55	20,124,020	1,903,404	9.46
1890	50	19,010,020	1,753,306	9.22
1891	42	17,000,000	1,679,767	9.88
1892	40	16,650,010	1,628,442	9.78
1893	39	16,350,000	1,613,635	9.87
1894	38	16,150,000	1,647,446	10.20
1860 to '94 incl.	....	819,422,750	84,541,516	10.32

## 2 JOINT STOCK FIRE INSURANCE COMPANIES OF OTHER STATES.

Year.	Number of Companies.	Capital.	Dividends.	Ratio.
1860 to '65 incl.	av. 35	63,181,215	8,982,596	14.21
1866 "'70 "	" 48	96,690,881	11,259,552	11.65
1871 "'75 "	" 71	119,421,721	12,887,240	10.79
1876 "'80 "	" *172	211,021,985	25,603,995	12.13
1881 "'85 "	" 203	277,595,005	28,121,701	10.13
1886	223	60,447,737	5,959,999	9.85
1887	218	62,064,230	5,916,640	9.53
1888	226	61,977,315	5,593,398	9.02
1889	214	56,997,540	5,796,296	10.17
1890	204	58,933,610	5,529,754	9.38
1891	191	54,223,605	5,547,301	10.23
1892	186	51,327,355	4,948,178	9.64
1893	181	50,181,610	4,759,657	9.48
1894	177	48,364,515	4,686,598	9.69
1860 to '94 incl.	....	1,272,428,324	135,592,905	10.66

## 3 AMERICAN COMPANIES COMBINED.

Year.	Number of Companies.	Capital.	Dividends.	Ratio.
1860 to '65 incl.	av. 136	208,376,735	22,736,771	10.91
1866 "'70 "	" 151	243,203,711	24,958,153	10.26
1871 "'75 "	" 168	245,706,811	26,781,443	10.90
1876 "'80 "	" *261	337,207,085	41,464,994	12.29
1881 "'85 "	" 268	386,100,105	39,346,196	10.19
1886	283	81,034,757	8,012,707	9.88
1887	275	82,848,250	7,924,720	9.57
1888	281	82,061,335	7,415,653	9.03
1889	269	77,121,560	7,699,700	9.98
1890	254	77,943,630	7,283,060	9.34
1891	233	71,223,605	7,227,068	10.15
1892	226	67,977,365	6,576,620	9.67
1893	220	66,531,610	6,373,292	9.58
1894	215	64,514,515	6,334,044	9.82
1860 to '94 incl.	....	2,091,851,074	220,184,421	10.52

\* NOTE.—Prior to 1877 only the experience of Cos. doing business in N. Y. State was included; subsequent years embrace the experience of as many other Cos. as could be had either through State Departments or by means of blanks furnished individual Cos.

The first condensed period comprises six years, after that five years.

# TABLE IV

Summary of the results of the experiments on the effect of the concentration of the solution on the rate of the reaction. The rate of the reaction was measured by the method of the initial rates. The concentration of the solution was varied from 0.1 to 1.0 M. The rate of the reaction was found to increase with the concentration of the solution. The rate of the reaction was found to be proportional to the square of the concentration of the solution.

Concentration of the solution (M)	Rate of the reaction (M/min)
0.1	0.01
0.2	0.04
0.3	0.09
0.4	0.16
0.5	0.25

From the above table it is seen that the rate of the reaction is proportional to the square of the concentration of the solution. This is in agreement with the theoretical prediction that the rate of the reaction is proportional to the square of the concentration of the solution.

TABLE II—Showing the Ratio of Losses to each \$100 of Premiums.  
1 JOINT STOCK FIRE INSURANCE COMPANIES OF THE STATE OF  
NEW YORK.

Year.	Number of Companies.	Fire Premiums Received.	Fire Losses Paid.	Ratio.
1860 to '65 incl.	av. 101	59,103,462	33,672,218	56.97
1866 " '70 "	" 104	103,086,537	58,533,595	56.78
1871 " '75 "	" 96	107,428,845	60,161,989	56.00
1876 " '80 "	" 89	92,520,098	48,202,315	52.10
1881 " '85 "	" 65	118,020,300	65,636,454	55.61
1886	60	26,275,907	13,911,898	52.94
1887	57	26,325,873	15,559,865	59.10
1888	55	26,707,258	15,481,553	57.96
1889	55	27,352,088	16,503,405	60.34
1890	50	27,789,719	15,537,477	55.91
1891	42	28,112,802	17,057,927	60.68
1892	40	31,041,859	19,415,855	62.54
1893	39	32,520,904	21,597,013	66.41
1894	38	31,536,540	19,319,905	61.26
1860 to '94 incl.	...	797,822,192	420,591,469	57.00

2 JOINT STOCK FIRE INSURANCE COMPANIES OF OTHER STATES.

Year.	Number of Companies.	Fire Premiums Received.	Fire Losses Paid.	Ratio.
1860 to '65 incl.	av. 35	34,179,234	20,906,053	61.17
1866 " '70 "	" 48	79,343,946	47,406,183	59.75
1871 " '75 "	" 71	126,446,094	82,848,636	65.52
1876 " '80 "	" 172	122,841,259	68,164,431	55.49
1881 " '85 "	" 203	175,899,529	99,287,225	56.45
1886	223	43,252,818	22,925,976	53.00
1887	218	45,939,959	27,135,941	59.06
1888	226	49,872,211	27,922,855	55.99
1889	214	51,611,012	30,694,898	59.47
1890	204	53,572,663	27,682,462	51.67
1891	191	55,260,095	33,185,393	60.05
1892	186	58,561,737	35,289,609	60.26
1893	181	59,924,067	39,063,304	65.09
1894	177	55,415,703	32,126,263	57.97
1860 to '94 incl.	...	1,012,120,327	594,582,229	58.75

3 AMERICAN COMPANIES COMBINED.

Year.	Number of Companies.	Fire Premiums Received.	Fire Losses Paid.	Ratio.
1860 to '65 incl.	av. 136	93,282,696	54,578,271	58.51
1866 " '70 "	" 151	182,430,483	105,939,778	58.07
1871 " '75 "	" 168	233,874,939	143,010,625	61.15
1876 " '80 "	" 261	215,361,857	116,366,746	54.03
1881 " '85 "	" 268	293,919,829	164,923,679	56.11
1886	233	69,523,725	36,837,874	52.98
1887	275	72,265,832	42,695,806	59.08
1888	281	76,579,469	43,404,408	56.68
1889	269	78,963,100	47,198,303	59.77
1890	254	81,362,882	43,219,939	53.12
1891	233	83,372,897	50,243,320	60.26
1892	226	89,603,596	54,705,464	61.05
1893	220	92,444,671	60,603,317	65.56
1894	215	86,952,243	51,446,168	59.17
1860 to '94 incl.	....	1,749,942,519	1,015,173,698	58.01



### EXPENSES.

---

TABLE III indicates the ratio of expenses to each \$100 of premium receipts. It is to be remarked that the premium column includes the marine and inland business of the Fire Companies whose experience is given in the table. This treatment of the subject is unavoidable, for while the fire and inland premiums, as well as the losses, could be separated, the *expenses* of the two classes are so interwoven as to be inseparable. It is not probable, however, that the percentage would be materially changed if it were possible to make the comparison of the expenses and the receipts of the fire branch from distinct data. The sole purpose of the table is the ascertainment of the expense ratio. Like the preceding tables, the experience is that of 215 American Companies. It shows the average expense of the whole period to have been 34.66 with a ratio of 36.23 for 1894, an increase of  $\frac{55}{100}$  of 1% over 1893, when it was 35.68.

TABLE III—Showing the Ratio of Expenses to each \$100 of Premiums.

## 1 JOINT STOCK FIRE INSURANCE COMPANIES OF THE STATE OF NEW YORK.

Year.	Number of Companies.	Prem's Rec'd including Marine and Inland	Expenses.	Ratio.
1860 to '65 incl.	av. 101	67,251,225	22,021,953	32.74
1866 " '70 "	" 104	115,788,623	40,641,879	35.10
1871 " '75 "	" 96	110,460,312	38,808,729	35.13
1876 " '80 "	" 89	97,632,428	40,676,920	41.65
1881 " '85 "	" 65	124,469,790	48,410,259	38.89
1886	60	28,224,005	10,846,796	38.43
1887	57	27,644,785	10,809,862	39.11
1888	55	27,182,874	10,791,219	39.69
1889	55	27,909,637	11,086,567	39.72
1890	50	28,262,902	11,103,402	39.28
1891	42	28,489,972	11,323,317	39.75
1892	40	31,459,897	12,135,136	38.57
1893	39	32,937,972	12,331,459	37.43
1894	38	31,940,238	11,604,754	36.33
1860 to '94 incl.		779,674,660	292,592,252	37.53

## 2 JOINT STOCK FIRE INSURANCE COMPANIES OF OTHER STATES.

Year.	Number of Companies.	Prem's Rec'd including Marine and Inland.	Expenses.	Ratio.
1860 to '65 incl.	av. 35	42,081,618	9,539,646	22.66
1866 " '70 "	" 48	95,856,081	28,201,350	29.42
1871 " '75 "	" 71	145,300,074	41,693,326	28.69
1876 " '80 "	" 172	147,005,341	47,708,940	32.45
1881 " '85 "	" 202	208,765,311	68,029,499	32.59
1886	223	48,512,092	16,868,816	34.77
1887	218	51,191,505	17,769,978	34.71
1888	226	54,963,074	19,370,821	35.24
1889	214	56,926,591	19,751,512	34.69
1890	204	58,287,045	20,716,961	35.54
1891	191	60,768,370	22,067,412	36.31
1892	186	62,686,404	22,782,256	36.34
1893	181	65,329,110	22,724,949	34.79
1894	177	60,290,294	21,813,360	36.19
1860 to '94 incl.	...	1,157,962,910	379,038,726	32.73

## 3 AMERICAN COMPANIES COMBINED.

Year.	Number of Companies.	Prem's Rec'd, including Marine and Inland.	Expenses.	Ratio.
1860 to '65 incl.	av. 136	109,332,843	31,561,599	28.86
1866 " '70 "	" 151	211,644,704	68,843,129	32.52
1871 " '75 "	" 168	255,760,386	80,502,055	31.48
1876 " '80 "	" 261	244,657,769	88,385,860	36.13
1881 " '85 "	" 268	333,235,101	116,439,758	34.94
1886	283	76,736,097	27,715,612	36.12
1887	275	78,836,290	28,579,840	36.25
1888	281	82,145,948	30,162,040	36.72
1889	269	84,836,228	30,838,079	36.35
1890	254	86,549,947	31,820,363	36.77
1891	233	89,258,342	33,390,729	37.41
1892	226	94,146,301	34,917,392	37.09
1893	220	98,267,082	35,056,408	35.68
1894	215	92,230,532	33,418,114	36.23
1860 to '94 incl.	....	1,937,637,570	671,630,978	34.66

## RATES AND RISKS WRITTEN.

TABLE IV. In addition to premiums and losses the important factor of risks written is here introduced. The table is limited to American Companies and will show :

1. Ratio of fire losses to each \$100 of premiums, and is to that extent a repetition of Table II, yet important to be here again shown side by side with the other ratios exhibited in the table.
2. The ratio of fire losses to each \$100 of fire risks written.
3. The amount of fire risks written to \$1.00 loss.
4. The average rate of premiums on each \$100 of fire risks written.

The ratio of losses to premiums decreased from 65.56 in 1893, to 59.17 in 1894.

The losses to each \$100 of risks written decreased from .5865 in 1893 to .5568 in 1894.

The amount written to each one dollar of loss was \$170.50 in 1893 and \$179.60 in 1894.

The rate of premium advanced from .8947 in 1893 to .9411 in 1894.

For these ratios as of Foreign Companies, see Table V.

TABLE IV—Showing the Ratio of Fire Losses to each \$100 of Premiums, Ratio of Fire Losses to each \$100 Risks written, Amount of Risks written to \$1.00 Loss, and the Average Rate of Premiums.

1 JOINT STOCK FIRE INSURANCE COMPANIES OF THE STATE OF NEW YORK.

YEAR.	No. of Companies	FIRE RISKS WRITTEN.	FIRE PREMIUMS RECEIVED.	FIRE LOSSES PAID.	Ratio Losses to \$100 of Premiums	Ratio Losses to \$100 Risks Written	Am't Risks Written to \$1.00 Loss.	Rate of Premium each \$100 of Risks
1860-'65	av. 101	9,691,333,757	59,103,462	33,672,218	56.97	.3474	287.82	.6099
1866-'70	" 104	13,429,243,244	103,086,537	58,533,595	56.78	.4359	229.42	.7676
1871-'75	" 96	14,510,643,586	107,428,845	60,161,989	56.00	.4146	241.19	.7403
1876-'80	" 89	13,876,630,331	92,520,098	48,202,315	52.10	.3473	287.88	.6667
1881-'85	" 65	16,390,694,296	118,020,300	65,636,454	55.61	.4004	249.71	.7200
1886	60	3,510,104,773	26,275,907	13,911,898	52.94	.3963	252.30	.7485
1887	57	3,683,443,403	26,325,873	15,559,865	59.10	.4224	236.72	.7147
1888	55	3,812,951,274	26,707,258	15,481,553	57.96	.4060	246.28	.7004
1889	55	3,799,396,746	27,352,088	16,503,405	60.34	.4343	230.22	.7199
1890	50	3,825,659,965	27,789,719	15,537,477	55.91	.4061	246.22	.7264
1891	42	3,943,349,991	28,112,802	17,057,927	60.68	.4326	231.17	.7129
1892	40	4,136,544,366	31,041,859	19,415,855	62.54	.4694	213.04	.7504
1893	39	4,209,671,458	32,520,904	21,597,013	66.41	.5130	194.92	.7725
1894	38	3,868,722,518	31,536,540	19,319,905	61.26	.4994	200.25	.8152
1860-'94	....	102,688,389,708	737,822,192	420,591,469	57.00	.4095	244.15	.7185

2 JOINT STOCK FIRE INSURANCE COMPANIES OF OTHER STATES.

1860-'65	av. 35	3,930,952,242	34,179,234	20,906,053	61.17	.5318	188.03	.8695
1866-'70	" 48	7,447,021,450	79,343,946	47,406,183	59.75	.6366	157.09	1.0655
1871-'75	" 71	10,347,586,138	126,446,094	82,848,636	65.52	.8007	124.89	1.2220
1876-'80	" 172	12,591,716,333	122,841,259	68,164,431	55.49	.5413	184.72	.9756
1881-'85	" 203	16,891,290,193	175,899,529	99,287,225	56.45	.5878	170.13	1.0414
1886	223	3,801,862,891	43,252,818	22,925,976	53.00	.6030	165.83	1.1376
1887	218	4,291,948,756	45,939,959	27,135,941	59.06	.6322	158.16	1.0704
1888	226	4,732,466,178	49,872,211	27,922,855	55.99	.5900	169.48	1.0538
1889	214	4,771,515,084	51,611,012	30,694,898	59.47	.6433	155.45	1.0816
1890	204	5,840,810,466	53,572,663	27,682,462	51.67	.5183	192.93	1.0031
1891	191	5,661,843,355	55,260,095	33,185,393	60.05	.5861	170.61	.9760
1892	186	5,895,985,665	58,561,737	35,289,609	60.26	.5985	167.07	.9933
1893	181	6,123,277,759	59,924,067	39,006,304	65.09	.6370	156.98	.9786
1894	177	5,370,896,078	55,415,703	32,126,263	57.97	.5982	167.18	1.0318
1860-'94	....	97,199,172,588	1,012,120,327	594,582,229	58.75	.6117	163.47	1.0413

3 AMERICAN COMPANIES COMBINED.

1860-'65	av. 136	13,622,285,999	93,282,696	54,578,271	58.51	.4007	249.59	.6848
1866-'70	" 151	20,876,264,694	182,430,483	105,939,778	58.07	.5074	197.06	.8739
1871-'75	" 168	24,858,229,724	233,874,939	143,010,625	61.15	.5753	173.82	.9408
1876-'80	" 261	26,468,346,664	215,361,357	116,366,746	54.03	.4396	227.45	.8136
1881-'85	" 268	33,281,984,489	293,919,829	164,923,679	56.11	.4955	201.80	.8831
1886	283	7,311,967,664	69,528,725	36,837,874	52.98	.5038	198.49	.9508
1887	275	7,975,392,159	72,265,832	42,695,806	59.08	.5353	186.79	.9061
1888	281	8,545,417,452	76,579,469	43,404,408	56.68	.5079	196.88	.8961
1889	269	8,570,911,830	78,963,100	47,198,303	59.77	.5507	181.59	.9213
1890	254	9,166,470,431	81,362,382	43,219,939	53.12	.4715	212.08	.8876
1891	233	9,605,193,346	83,372,897	50,243,320	60.26	.5231	191.17	.8680
1892	226	10,032,530,031	89,603,596	54,705,464	61.05	.5453	183.39	.8931
1893	220	10,332,949,217	92,444,971	60,603,317	65.56	.5865	170.50	.8947
1894	215	9,239,618,596	86,952,243	51,446,168	59.17	.5568	179.60	.9411
1860-'94	....	199,887,562,296	1,749,942,519	1,015,173,698	58.01	.5079	196.90	.8755

### COMPANIES CHARTERED BY FOREIGN GOVERNMENTS.

---

TABLE V shows as of the Companies chartered by foreign governments similar information to that given in the foregoing tables of American Companies.

The following comparisons may be of interest:

	1890	1891	1892	1893	1894
Loss ratio.....	54.05	63.47	64.33	69.91	61.72
Expense ratio .....	33.08	34.58	33.26	32.92	33.58
Average premium rate.....	.7483	.6997	.7650	.8127	.8434

The ratio of losses to \$100 of risks written declined from .5683 in 1893 to .5206 in 1894.

TABLE V.

## FIRE INSURANCE COMPANIES CHARTERED BY FOREIGN GOVERNMENTS.

1 *Giving their experience in the United States.*

Year.	Number of Companies.	Fire Premiums Received.	Fire Losses Paid.	Ratio of Losses to each \$100 of Premiums.
1860 to '65 incl.	Only two Cos., information not attainable.			
1866 " '70 "	av. 4	15,714,051	8,572,012	54.55
1871 " '75 "	" 10	49,839,262	34,473,874	69.17
1876 " '80 "	" 19	62,540,776	34,116,767	54.55
1881 " '85 "	" 25	119,581,709	76,415,909	63.89
1886	23	25,737,528	14,938,472	58.04
1887	23	26,803,374	17,209,185	64.21
1888	22	27,848,382	17,166,217	61.64
1889	22	28,872,249	19,296,991	66.88
1890	24	32,864,694	17,762,521	54.05
1891	25	35,870,768	22,765,634	63.47
1892	25	40,941,680	26,337,409	64.33
1893	24	42,539,311	29,740,758	69.91
1894	23	41,490,805	25,608,889	61.72
1860 to '94 incl.	....	550,644,589	344,404,638	62.55

Year.	No. of Co.'s.	Expenses.	Ratio of Expenses to \$100 of Premiums.	Amount Written.	Ratio of Fire Losses to each \$100 of Fire Risks Written.	Average Rate of Premium to each \$100 of Fire Risks.
1860 to '65 in.	Only two Cos., information not attainable.					....
1866 " '70 "	av. 4	4,202,759	26.75	1,824,899,392	.4697	.8611
1870 " '75 "	" 10	13,667,197	27.42	5,227,777,132	.6594	.9534
1876 " '80 "	" 19	20,175,440	32.26	8,237,801,435	.4141	.7692
1881 " '85 "	" 25	38,658,819	32.33	15,544,269,982	.4916	.7693
1886	23	8,435,915	32.77	3,223,295,951	.4634	.7985
1887	23	8,819,024	32.90	3,377,185,226	.5095	.7937
1888	22	9,134,153	32.79	3,559,289,358	.4829	.7824
1889	22	9,699,145	33.59	3,732,091,640	.5171	.7736
1890	24	10,872,142	33.08	4,392,099,523	.4044	.7483
1891	25	12,403,695	34.58	5,126,684,799	.4441	.6997
1892	25	13,617,183	33.26	5,353,487,893	.4920	.7650
1893	24	14,005,742	32.92	5,233,837,431	.5683	.8127
1894	23	13,519,327	32.58	4,919,480,645	.5206	.8434
1860 to '94 in.	.. 177	210,541	32.18	69,752,200,407	.4938	.7894

## EXPERIENCE OF AMERICAN AND FOREIGN COMPANIES COMBINED.

---

TABLE VI combines the experience of American and Foreign Companies, being a summary of Tables IV and V. It exhibits the magnitude of the fire insurance business in the United States and indicates its enormous growth within a few years.

The loss ratio declined from 66.93 in 1893 to 59.99 in 1894.

The ratio of fire losses to each \$100 of risks written, declined from .5904 in 1893 to .5442 in 1894, and whereas \$172.30 was written to each dollar loss in 1893, \$183.75 was so written in 1894.

The average rate advanced from .8671 in 1893 to .9071 in 1894.

## EXPENSE RATIOS OF AMERICAN AND FOREIGN COMPANIES COMBINED.

---

TABLE VII combines the results of Table III, showing the ratio of expenses on each \$100 of premiums of American Companies, and that part of Table V which gives similar information as to Foreign Companies.

The ratio of 1893 was 34.84 and that of 1894, 35.10.

TABLE VI.

SUMMARY OF TABLES IV AND V, COMBINING THE EXPERIENCE OF AMERICAN AND FOREIGN COMPANIES.

*Showing the Ratio of Fire Losses to each \$100 of Premiums, the Ratio of Losses to each \$100 of Risks written, the Amount of Risks written to \$1.00 of Loss, and the Average Rate of Premiums.*

Year.	No. of Companies.	FIRE RISKS WRITTEN.	FIRE PREMIUMS RECEIVED.	FIRE LOSSES PAID.	Ratio of Fire Losses to each \$100 of Premiums.	Ratio of Fire Losses to each \$100 of Fire Risks Written.	Amount of Fire Risks Written to \$1.00 of Loss.	Average Rate of Premium on each \$100 of Fire Risks.
1860-'65	av. 136	13,622,285,999	93,282,696	54,578,271	58.51	.4007	249.59	.6848
1866-'70	" 155	22,701,164,086	198,144,534	114,511,790	57.79	.5044	198.24	.8728
1871-'75	" 178	30,086,006,856	283,714,201	177,484,499	62.56	.5899	169.51	.9430
1876-'80	" 280	34,706,148,099	277,902,133	150,483,513	54.14	.4386	230.63	.8007
1881-'85	" 293	48,826,254,471	413,501,538	241,339,588	58.36	.4943	202.31	.8469
1886	306	10,535,263,615	95,266,253	51,776,346	54.34	.4914	203.47	.9042
1887	298	11,352,577,385	99,069,206	59,904,991	60.47	.5277	189.51	.8726
1888	303	12,104,706,810	104,427,851	60,570,625	58.00	.5004	199.84	.8627
1889	291	12,303,063,470	107,835,349	66,495,294	61.66	.5404	184.96	.8765
1890	278	13,558,569,954	114,227,076	60,982,460	53.38	.4490	222.34	.8424
1891	258	14,731,878,145	119,243,665	73,008,954	61.23	.4956	201.78	.8094
1892	251	15,386,017,924	130,545,276	81,042,873	62.08	.5267	189.85	.8485
1893	244	15,566,786,648	134,984,282	90,344,075	66.93	.5904	172.30	.8671
1894	238	14,159,099,241	128,443,048	77,055,057	59.99	.5442	183.75	.9071
1860-'94	...	269,639,762,703	2,300,587,108	1,359,578,336	59.10	.5042	198.33	.8533

TABLE VII.

SUMMARY OF TABLES III AND V, SHOWING THE RATIO OF EXPENSES TO EACH \$100 OF PREMIUMS (INCLUDING INLAND AND MARINE) OF AMERICAN AND FOREIGN COMPANIES COMBINED.

Year.	Number of Companies.	Premiums Received (Including Marine and Inland).	Expenses.	Ratio.
1860 to '65 inclusive	av. 136	109,332,843	31,561,599	28.86
1866 " '70 "	" 155	227,358,755	73,045,888	32.12
1871 " '75 "	" 178	305,599,648	94,169,252	30.81
1876 " '80 "	" 280	307,198,545	108,561,300	35.34
1881 " '85 "	" 293	452,816,810	155,098,577	34.25
1886	306	102,478,625	36,151,527	35.28
1887	298	105,639,664	37,398,864	35.40
1888	303	109,994,330	39,296,193	35.73
1889	291	113,708,477	40,537,224	35.65
1890	278	119,414,641	42,692,505	35.75
1891	258	125,129,110	45,794,424	36.60
1892	251	135,087,981	48,534,575	35.93
1893	244	140,806,393	49,062,150	34.84
1894	238	133,721,337	46,987,441	35.10
1860 to '94 inclusive	....	2,488,282,159	848,841,519	34.11



## COMMISSIONS.

TABLE VIII shows the ratio of commissions to \$100 of premium receipts since 1860. Like the term tables, it only gives the information as of Companies doing business in New York State—121 in number in 1894.

TABLE VIII—*Showing Ratio of Commissions to each \$100 of Premiums; as of Companies doing business in New York State only, for each year since 1860.*

### NEW YORK STATE REPORT FIGURES.

#### 1 JOINT STOCK FIRE INSURANCE COMPANIES OF THE STATE OF NEW YORK.

Years.	No. of Cos.	Prem's Recv'd including Marine and Inland	Commissions.	Ratio.
1860 to 1865 incl.	av. 101	67,251,225	5,743,042	8.53
1866 " 1870 "	" 104	115,788,623	13,570,567	11.72
1871 " 1875 "	" 96	110,460,312	14,943,907	13.52
1876 " 1880 "	" 89	97,652,428	15,520,511	15.89
1881 " 1885 "	" 65	124,469,790	22,687,162	18.23
1886	60	28,224,005	5,129,381	18.17
1887	57	27,644,785	5,152,294	18.64
1888	55	27,182,874	5,247,562	19.30
1889	55	27,909,637	5,415,476	19.40
1890	50	28,262,902	5,470,373	19.36
1891	42	28,489,972	5,769,312	20.25
1892	40	31,459,897	6,136,924	19.51
1893	39	32,937,972	6,227,269	18.91
1894	38	31,940,238	5,637,803	17.65
1860 to 1894 incl.	....	779,674,660	122,651,583	15.73

#### 2 JOINT STOCK FIRE INSURANCE COMPANIES OF OTHER STATES DOING BUSINESS IN NEW YORK.

1860 to 1865 incl.	av. 35	42,081,618	4,574,829	10.87
1866 " 1870 "	" 48	95,856,081	12,100,634	12.62
1871 " 1875 "	" 71	145,300,074	20,767,320	14.29
1876 " 1880 "	" 67	117,726,613	17,612,678	14.96
1881 " 1885 "	" 59	146,359,813	24,162,992	16.51
1886	80	36,873,706	6,269,610	17.03
1887	78	37,686,992	6,637,758	17.61
1888	75	40,280,784	7,226,251	17.93
1889	76	41,956,775	7,620,301	18.16
1890	74	45,601,004	8,528,255	18.70
1891	62	46,200,303	8,726,588	18.89
1892	65	51,684,773	9,746,533	18.86
1893	64	52,481,254	9,799,956	18.67
1894	60	51,218,327	9,245,747	18.05
1860 to 1894 incl.	..	951,308,117	153,019,452	16.09

TABLE VIII—Continued.

3

## AMERICAN COMPANIES COMBINED.

Years.	No. of Cos.	Prem's Rec'd including Marine and Inland.	Commissions.	Ratio.
1860 to 1865 incl.	av. 136	109,332,843	10,317,871	9.44
1866 " 1870 "	" 151	211,644,704	25,671,201	12.13
1871 " 1875 "	" 168	255,760,386	35,711,227	13.96
1876 " 1880 "	" 156	215,379,041	33,133,189	15.38
1881 " 1885 "	" 124	270,829,603	46,850,154	17.30
1886	140	65,097,711	11,398,991	17.51
1887	135	65,331,777	11,790,052	18.05
1888	130	67,463,658	12,473,813	18.49
1889	131	69,866,412	13,035,777	18.66
1890	124	73,863,906	13,998,628	18.95
1891	104	74,690,275	14,495,900	19.41
1892	105	83,144,670	15,883,457	19.10
1893	103	85,419,226	16,027,225	18.76
1894	98	83,158,565	14,883,550	17.90
1860 to 1894 incl.	....	1,730,982,777	275,671,035	15.93

## 4 FOREIGN FIRE INSURANCE COMPANIES DOING BUSINESS IN NEW YORK.

1860 to 1865 incl.	.....	Not attainable.		
1866 " 1870 "	av. 4	15,714,051	2,124,456	13.50
1871 " 1875 "	" 10	49,839,262	7,288,949	14.62
1876 " 1880 "	" 19	62,540,776	10,759,160	17.20
1881 " 1885 "	" 25	119,581,709	20,978,862	17.54
1886	23	25,737,528	4,645,537	18.04
1887	23	26,803,374	4,911,107	18.32
1888	22	27,843,382	5,126,960	18.41
1889	22	28,872,249	5,453,535	18.89
1890	24	32,864,694	6,259,297	19.04
1891	25	35,870,768	7,852,113	20.50
1892	25	40,941,680	7,805,523	19.06
1893	24	42,539,311	7,761,200	18.24
1894	23	41,490,805	7,444,164	17.94
1860 to 1894 incl.	...	550,644,589	97,910,868	17.78

5

## AMERICAN AND FOREIGN COMPANIES COMBINED.

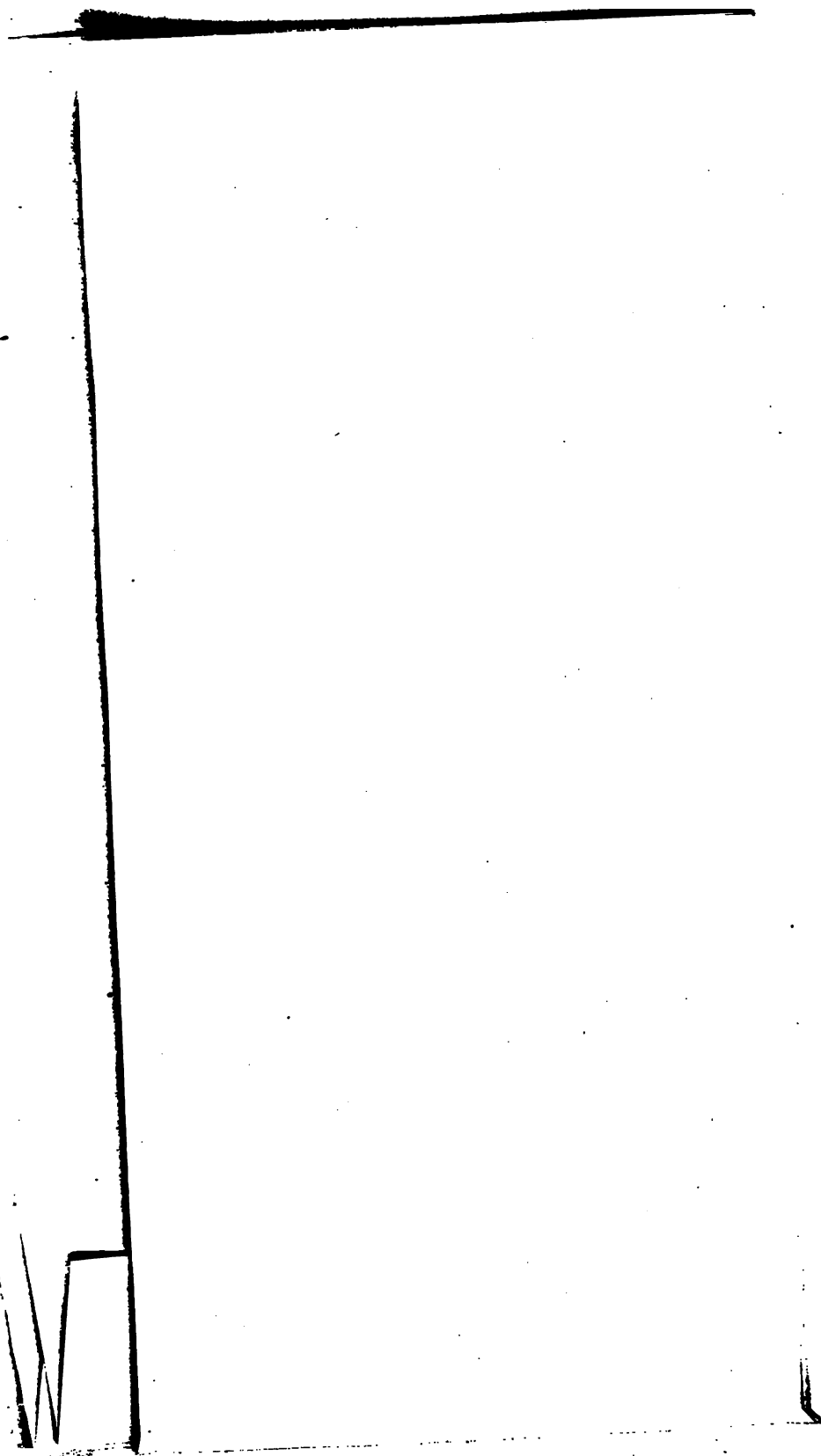
1860 to 1865 incl.	136	\$109,332,843	\$10,317,871	9.44
1866 " 1870 "	155	227,358,755	27,795,657	12.23
1871 " 1875 "	178	305,599,648	43,000,176	14.07
1876 " 1880 "	176	277,919,817	43,892,349	15.79
1881 " 1885 "	149	390,411,312	67,829,016	17.37
1886	163	90,835,239	16,044,528	17.66
1887	158	92,135,151	16,701,159	18.13
1888	152	95,312,040	17,600,773	18.47
1889	153	98,738,661	18,489,312	18.73
1890	148	106,728,600	20,257,925	18.98
1891	129	110,561,043	21,848,013	19.76
1892	130	124,086,350	23,688,985	19.09
1893	127	127,958,537	23,788,425	18.59
1894	121	124,649,370	22,327,714	17.91
1860 to 1894 incl.	...	2,281,627,366	373,581,903	16.37

### THE TERM TABLES (Nos. X AND XI.)

---

The figures in these tables are compiled from the New York State report, and are, therefore, only as of Companies doing business in this State.

Remarks on these tables will be found on pages 45-46.





## LOSSES BY STATES.

### LOSSES BY STATES.

---

TABLE XII exhibits the loss ratio and rate of premium by States for 1893 and 1894. We are indebted to "The Spectator" for the figures of certain States, which the Superintendents failed to furnish in time. By the courtesy of the "Weekly Underwriter" a column is added to the Table giving the ratio of losses paid to premiums in each State for a period of fourteen years, 1880 to 1893 inclusive.

TABLE XII.—BUSINESS BY STATES OF JOINT STOCK FIRE  
INSURANCE COMPANIES.

STATES.	Risks Written, 1894.	Premiums Received, 1894.	Losses Paid. 1894.	Av'ge Rate of Pre'm.		Ratio of Loss to Pre'ms.		Ratio of Loss's paid to Pre'ms. 1880-93 inclu- sive 14 (yrs.)
				1893.	1894.	1893.	1894.	
Ala.....	\$66,828,364	\$1,067,445	\$818,879	1.32	1.60	41.9	76.7	52.1
Ariz.....	1,110,545	23,726	8,875	2.48	2.14	19.0	37.4	31.6 11 yrs.
Cal.....	4,310,368	105,454	85,316	2.93	2.44	53.5	80.9	69.8
Col.....	32,620,429	705,395	430,990	2.18	2.16	61.2	61.1	67.1
Del.....	377,813,892	6,336,735	2,815,675	1.75	1.68	39.3	44.5	41.1
Fla.....	85,520,077	1,428,619	794,651	1.73	1.67	59.7	55.6	42.3
Ill.....	221,828,297	2,171,849	927,196	.93	.98	47.3	42.7	48.6
Ind.....	19,679,888	176,117	158,662	.82	.90	46.3	90.1	69.0
Iowa.....	75,148,165	475,502	298,629	.73	.63	45.6	62.8	33.3
Kan.....	26,697,905	596,746	171,204	3.09	2.24	39.8	28.7	79.1
La.....	117,217,748	1,668,979	978,632	1.43	1.42	46.3	58.1	58.0
Mass.....	5,869,874	150,126	179,601	2.69	2.56	98.4	120.1	71.0
Mich.....	953,269,477	11,992,753	7,056,983	1.11	1.25	55.6	58.8	44.0
Minn.....	268,107,433	3,480,419	2,106,287	1.24	1.30	62.2	61.1	58.1
Mo.....	4,570,368	125,614	81,568	2.56	2.75	35.4	64.9	51.8 12 yrs.
Neb.....	232,011,959	3,867,475	2,235,598	1.61	1.67	55.5	57.8	43.4
N.J.....	129,417,718	1,953,420	1,070,392	1.40	1.51	48.9	54.8	47.3
N.Y.....	187,397,787	2,605,337	1,434,727	1.36	1.39	84.7	55.1	64.4
Pa.....	196,925,737	2,649,323	1,437,368	1.24	1.35	44.9	54.3	52.7
R.I.....	94,894,475	1,477,287	1,023,162	1.48	1.56	63.3	69.3	63.1
S.D.....	214,414,675	1,859,261	954,875	.78	.87	88.4	51.4	62.9
Utah.....	687,431,281	7,648,298	4,645,784	1.05	1.11	81.0	60.7	65.2
Vt.....	277,739,679	4,248,031	2,371,486	1.49	1.53	57.5	55.8	56.2
W.D.....	233,955,107	3,681,029	2,501,719	1.46	1.57	82.4	67.9	62.3
W.V.....	37,951,832	787,985	376,014	1.91	2.08	55.4	47.7	57.4
Wis.....	345,821,055	4,913,499	3,495,263	1.26	1.42	89.1	71.1	66.2
Wyo.....	25,485,713	588,314	214,737	2.41	2.30	31.7	36.5	36.8
Ark.....	107,641,249	1,816,538	1,126,152	1.51	1.68	64.5	62.0	42.2
Cal.....	4,141,072	118,082	47,006	2.46	2.85	61.3	39.8	40.6
Conn.....	64,784,571	854,360	478,305	1.14	1.32	39.7	56.0	50.4
Del.....	433,861,657	3,740,577	1,777,851	.85	.86	48.7	47.5	49.3
Fla.....	7,121,652	148,233	75,567	2.01	2.08	96.4	51.0	58.6
Ill.....	3,054,198,999	22,041,722	12,596,198	.68	.72	64.6	57.2	61.6
Iowa.....	48,274,243	783,751	319,106	1.58	1.62	94.6	40.7	66.3
Kan.....	17,564,713	390,578	265,559	1.97	2.22	318.8	68.0	119.6 4 yrs.
La.....	*551,691,391	6,761,757	3,986,284	1.10	1.23	59.2	59.0	59.4
Mass.....	4,577,949	114,035	29,887	2.55	2.49	25.1	26.1	24.2 3 yrs.
Mich.....	45,287,428	936,068	640,947	2.05	2.07	39.9	68.5	42.1
Minn.....	875,891,292	9,672,764	4,812,200	1.08	1.10	59.8	49.7	58.4
Mo.....	90,434,532	940,054	493,909	1.00	1.04	82.1	52.5	54.3
Neb.....	43,057,308	639,698	437,658	1.16	1.49	91.1	68.4	53.2
N.J.....	18,715,863	383,412	189,387	2.01	2.05	45.7	49.4	42.3 4 yrs.
N.Y.....	113,825,134	1,790,093	1,124,403	1.59	1.57	66.2	62.8	67.2
Pa.....	179,937,487	3,217,273	2,332,294	1.84	1.79	67.4	72.5	65.4
R.I.....	20,644,800	357,886	126,243	1.98	1.73	69.6	35.3	42.4
S.D.....	34,975,915	528,825	417,182	1.47	1.51	70.0	78.9	70.5
Tenn.....	110,663,406	1,598,356	822,023	1.28	1.44	85.3	51.4	66.2
Vt.....	54,018,972	1,181,901	766,421	2.41	2.19	48.1	64.8	86.9
W.D.....	39,034,554	476,487	274,353	1.24	1.22	68.6	57.6	56.1
W.V.....	255,243,795	4,237,866	2,750,077	1.68	1.66	70.0	64.9	61.5
Wis.....	6,922,024	132,262	51,540	1.99	1.91	52.3	39.0	36.4

Includes marine and inland business.



It is an encouraging sign for the business that an improvement is shown in several important respects. From 1890 to 1894, the average loss ratio to premiums of all companies rapidly increased as follows: 1890, 53.38; 1891, 61.23; 1892, 62.08; rising in 1893 to 66.93, the highest point since the years of the Chicago and Boston fires. While still high for the year 1894, and above the average for the whole period, it yet fell to 59.99, showing an improvement of 6.94 over the previous year.

It will be seen that 1894 showed a reduction in the ratio of fire losses to risks written. This had increased from .4490 in 1890, to .5904 in 1893, and declined to .5442 in 1894. The amount written to one dollar loss in 1894, was 183.75, while there had been a dollar loss to each \$172.30 written in 1893.

Passing to the rate of premium, a marked advance is to be noted over 1893. The average was then .8671 and rose to .9071 in 1894. The lowest average rate since 1882 was reached in 1891, when it was .8094. There has since been a steady advance, and this is true of each of the three classes of companies named in the tables whether their experience be observed in separate groups or conjointly as in the figures quoted. This result was to have been expected from the recent efforts made by companies to secure adequate premiums to meet the great losses of recent years—efforts which were made none too soon. Observing the result of those efforts as indicated in the moderate advance in the premium rate as a whole, it cannot certainly be said that the underwriters have taken any undue advantage of the situation, for such advances as have been made were a necessity if the solvency of the companies was to be regarded, or the indemnity of the assured considered.

The average expense ratio of all companies indicates an advance from 34.84 in 1893, to 35.10 in 1894; very slight, and yet a movement in the wrong direction. It appears to be traceable to the experience of companies of other States, because an improvement is indicated of 1.10 as of the N. Y. State Companies, and .34 as of Foreign Companies. In this

connection, the rate of commissions may properly be mentioned as affecting the expense account. From the table of ratios as also from Table VIII., it will be noticed that from 1893 to 1894 the rate of commissions of New York State Companies declined 1.26; that of other State Companies .62; and that of Foreign Companies .30. The average for all in 1893 was 18.59 and 17.91 in 1894, showing for the year a reduction of .68. This may not be as marked an improvement as might have been looked for in view of the strenuous efforts made by many Companies to reduce commissions to a lower level, but it is to be borne in mind that there has been a decrease each year since 1892, when certain Companies associated themselves together for the purpose of checking the advance in commission and brokerages which had been increasing for many years, the average having risen from 14.07 in the period from 1871 to 1875, to 19.76 in 1891. The reduction from this figure to 17.91 in 1894 may be traceable to that movement and shows a saving of \$1.85 on each \$100 of premiums as of all of the Companies. If the benefit to Companies who took that action could be measured it would be found to be still greater, inasmuch as the figures include the experience of Companies that continue to pay high rates of commission and thus tend to keep up the general average.

It may be of interest to note the fact apparent from Table VI that the amount written in 1894 was some 407 millions less than in 1893, and the premiums received less by six and a half millions. This indicates that less risks were written by stock companies than in any year since 1890. What part of the decline may be ascribed to business depression, or to what extent it has been caused by writings by Mutuals and Associations of Fire Underwriters, is difficult to determine.

#### THE TERM TABLES.

The Term Tables (Nos. X and XI) are continued. They comprise the business of 121 companies doing business in New York State—98 American and 23 Foreign. The tables have been so fully analyzed in former years that but little new

11-11-57

11-11-57

11-11-57

11-11-57

11-11-57

11-11-57

11-11-57

11-11-57

11-11-57

11-11-57

11-11-57

11-11-57

11-11-57

11-11-57

11-11-57

11-11-57

11-11-57

11-11-57

11-11-57

11-11-57

11-11-57

11-11-57

11-11-57

11-11-57

11-11-57

11-11-57

11-11-57

11-11-57

11-11-57

11-11-57

11-11-57

11-11-57

11-11-57

11-11-57

amounting to \$183,279,261. We now add to the list ten additional Companies retiring up to January 1, 1895.

NAME OF COMPANY.	CAPITAL.	ASSETS.
Alamo, San Antonio, Tex.....	\$200,000	\$291,054
Dwelling House, Boston.....	300,000	473,277
Equitable, Nashville, Tenn.....	150,000	213,862
Guardian, London (withdrawn from U. S.)...	Depos. 200,000	1,804,572
Home, Nashville.....	100,000	116,679
Mt. Holly, Mount Holly, N. J.....	100,000	165,593
Norfolk F. and M., Norfolk, Va.....	100,000	112,972
Oakland Home, Oakland Cal.....	200,000	533,631
	\$1,350,000	\$2,711,640
Previously reported, 1860 to 1894.....	112,757,633	183,279,261
In all.....	\$114,107,633	\$185,990,901

It will be observed that we have not included a number of irresponsible concerns that never reported to any State Department and had no standing to make them worthy of note.

#### ELECTION.

In addition to the annual election of officers, four members of the Executive Committee are to be chosen to serve for three years, to succeed Messrs. E. F. Beddall, James Nichols, J. L. Cunningham, and Eugene Harbeck, whose terms expire. The Constitution provides that no member of the Executive Committee shall be eligible to a re-election until one year has elapsed after the expiration of the term of office then held by him. A member of the Committee for one year should also be elected for one year to fill the unexpired term of Mr. John W. Murray, retired from the business. In mentioning Mr. Murray I cannot refrain from voicing regret at the retirement from our business of an associate with whom we have been so long connected, who achieved marked success as an underwriter, and is held in friendly esteem by us all.

#### UNDERWRITING ASSOCIATIONS.

In the appendix will be found as of possible value for reference, a list of the Associations of Fire Underwriters in the United States. In this connection may be acknowledged the im-

portant services of many of these associations to the fraternity. The question of rates now rests largely with them, and the manner in which they have discharged the trust has generally I think, received the commendation of Companies.

#### LOCAL BOARDS OF FIRE UNDERWRITERS.

The efforts of the Committee on Statistics to obtain statistics of fires in cities have tended to show the importance of local board organizations being maintained at least in the more important places. The work of this Board in other directions would be greatly assisted if such organizations were kept intact. The Fire Department inspection service points to a like desirability in order that there may be some recognized official representing the insurance interest whom we may address in reference to improvements, in the Fire Department or water supply, just as other committees may find it of advantage to call upon some one person in each place through whom suggestions may receive attention. It is reported by the Secretary that the absence of Boards in very many instances diminishes largely the probability of securing returns for the system of classification issued during the year. May it not be said that at least all places having a population of 5,000 or 10,000 should find it advantageous to maintain local Boards? The tendency has been toward their abandonment of late years, especially in the smaller cities and towns. The appointment of Inspectors, paid Secretaries and Stamp Clerks, has had the effect more or less to relieve agents of responsibility. While the changed methods were necessary to accomplish the ends desired by Companies, there can be no doubt that the maintaining of local Board organizations in cities of average size is still very desirable. There will be many other questions besides that of rate making to interest agents and upon which their concerted action will be important and necessary, and such action can be greatly aided by association through local Boards. Further than this it is held that the interests of Companies would be served in many ways by a continuance of such organizations and that therefore their disbandment should not be permitted.

## LEGISLATION.

During the winter an unusual number of bills relating to insurance has been introduced in the Legislatures of the several States. I have had the curiosity to ascertain approximately the number of such measures. I have not made an analysis of them further than was necessary to disclose the slight proportion favorable to the interest we represent in contrast to the great mass against us. Such a record covering the period since the last annual meeting of the Board would give a list of between two and three hundred bills.

Among these are no less than thirty valued policy bills; sixteen prohibiting Companies or persons from associating themselves together for the purpose of determining rates of premium; thirteen proposing deposit requirements; eleven prohibiting co-insurance or other clauses adopted by Companies as necessary in the transaction of the business; eleven tax bills with varying features; five prohibiting a removal of cases to the United States courts, etc., etc. Many of the bills if enacted would be especially annoying and burdensome.

In the search for favorable legislation, the action in Maine repealing both the anti-Board law and the law prohibiting co-insurance stands out most prominently. To the Hartford and other Eastern members who accomplished this result by their earnest work great credit is due. It may be said to be the first really significant break in the long line of legislation against the Companies. Previous efforts to effect a repeal of adverse laws had not borne fruit, so that this success was in the nature of a surprise, and it is to be hoped that it may be followed during the next legislative season by similar action in other States, whose laws are especially onerous.

In the same direction may be mentioned bills to repeal the valued policy law in Oregon, to rescind the  $1\frac{1}{2}$  tax on gross premiums in Arizona, to repeal the bond deposit bill in Arkansas, and one to lessen the deposit requirement in the State of Georgia. To this list should be added bills in several States to investigate causes of fire either by local officers or through a State Fire Marshal. Measures of this latter class,

however, although approved by Fire Insurance Companies, are really in the public interest, and can hardly be set down as extending special favors to underwriters.

While the Companies cheerfully recognize and welcome such legislation as indicates the exercise of a more enlightened policy toward them, the fact yet remains that the course of legislation has been almost uniformly against them. Indeed, for years previous to the winter of 1894 and '95, it is doubtful whether any single bill in their interest had been seriously considered, if proposed, or any measure adopted calculated to relieve them from embarrassing restrictions and unjust taxation. Unnecessary deposits have been required, gross premiums taxed and licenses imposed indiscriminately. If the Companies have sought to strengthen their position by the use of clauses and forms absolutely necessary for their protection, they have been prohibited by law in many instances from using them. If they have endeavored to recoup themselves for excessive losses by advancing rates to the safety point indicated by experience, they have been enjoined, under severe penalties, from even agreeing with an associate as to the equitable rate to be charged. Acts of legislatures have swept away wise and time-honored limitations as to the payment of losses, and the amount named in the policy has been declared to be the measure of the loss regardless of the worth of the property or whether the insurance was obtained by false representations or not.

The gravity of the situation from the side of undue legislative interference has impressed all who are familiar with the business. It has sometimes been a question as to whether or not a sufficient number of Companies would remain to furnish the insurance required by the business needs of the country. Company after Company has been forced into liquidation, and in their places have sprung up a number of organizations not amenable to the law, and whose promise of indemnity must be accepted for what it is worth. Is it not a remarkable anomaly that while the communities must depend upon the Companies having large assets and long experience in business for protection against loss by fire, legislation is almost invariably

adverse to this class of Companies, while organizations, in many cases of doubtful strength, are allowed unlimited sway in the competition for business?

It must, however, continue to be the conservative companies that are to guarantee the merchant, the manufacturer and the property-holder against loss by fire, and it becomes a fair question for legislators to consider whether they are not imperilling the public welfare by the enactment of laws under which the transaction of business will assuredly become so unprofitable as to lead capital engaged in it to seek other channels for employment.

It seems fitting that this Board should address itself to a consideration of this subject, entering its protest against inequitable laws, and if possible devise some plan of action which shall result in a reform in other States similar to that which has taken place in Maine.

#### GENERAL REMARKS.

While this Board is not in any sense a Rate Making Bureau, as you all know, it still has a very great interest in the results of the work of the various organizations throughout the country which have from time to time contributed their share toward the establishment of correct practices and of the proper rating of risks. It has always used its influence to sustain the tariffs of other Underwriting Associations and of Local Boards, and has for this purpose in the New York office the most complete depository of tariffs in the country. Probably more intelligent progress has been made in the direction of making equitable rates during the past year than in any previous five. The Companies generally may be considered by a large majority in favor of discriminating rates made upon the schedule system. The most elaborate schedule yet prepared is that known as the Universal Mercantile Schedule, which, as is well known, was the result of the work of a large committee, extending over several years, and for which they called to their assistance the criticism and advice of the underwriters of the country. Already a number of cities have been rated by this schedule, notably



among them; Boston; Cleveland, Ohio; Pittsfield, Massachusetts; Rochester; Albany; New Orleans; San Antonio, Texas; Waterville, Maine, and others. Numerous schedules in use in other places have been modeled more or less upon the plan of the Universal Schedule, as, for example, at Denver, where the plan of the schedule established is almost identical with that of the Universal Schedule.

A synopsis of the year's work under the Universal Schedule in the City of Cleveland has been furnished the Board, and in commenting upon the fact that the Cleveland Fire Department took great credit to itself for the small fire loss during the season of the Fourth of July fireworks, Secretary Truesdell writes, not without much reason as it would seem, that he thinks it but right to give some credit to his Department, the Inspectors of which, some days prior to the Fourth of July, made a tour of the business portion of the city, causing the removal of all loose rubbish from sidewalks, gratings, and back streets and alleys. When it is taken into account that a fire starting from any one of the six hundred and fifty-four evils of management, might, it was estimated, have destroyed the city, it is not claiming too much on the theory that "An ounce of prevention is worth a pound of cure," to say that the Fire Department might not have shown so good a record if these causes of fire had not been removed.

In this connection, the recent action of the Director of the Fire Department at Cleveland in making provision for a systematic patrol of the city with the idea of preventing as far as possible the occurrence of fires, is worthy of mention, and the result will be watched with much interest by all underwriters.

The operations of the Underwriters' Salvage Company, whose headquarters are in New York, have, up to the present time, been largely local, but they have a tendency to reduce very materially the charges for handling goods in case of loss by fire, and insure a more correct account of goods thus handled. It is to be hoped that in due time this, or some similar organization, will give the Companies the benefit

of their assistance and services in a more extended field. I am quite sure there is no department of our business that requires more careful scrutiny than that of the settlement of losses and the care of the salvage, often thrown upon the Companies, and that any intelligent and well directed effort in this direction should have the support and good will of the officers and managers of the Companies, goes without saying.

The Insurance press of the country has often rendered us very efficient service in calling attention to matters of legislation, as well as to the various improvements proposed in Fire Departments and Water Supply, and in this way has aided in bringing before our agents throughout the country the necessity of concerted action to secure such improvements.

I think you will agree with me that it is due the Insurance Press that this acknowledgment be made. While necessarily limited to a clientage composed mostly of insurance men, the insurance papers enable us to reach a large body of our representatives, and frequently give suggestions that are useful and of which we are ready to avail ourselves, but perhaps not always to acknowledge.

While on this subject, may I add that it seems to me that this Board has not taken advantage of its various opportunities to communicate, through the public press, its aims and purposes. If there is a tendency on the part of the public press to criticise Insurance Companies and the methods and purposes of underwriters in an unfriendly spirit, I think it arises simply and wholly from misapprehension or lack of accurate knowledge of the facts, which it is our duty, and not a difficult one, to dispel. I have abundant faith in the fairness and sense of justice of the average editor and average citizen, and believe that if hostility manifests itself in editorial comment or personal interviews it is more apparent than real, and that much can be done by the individual efforts and influence of underwriters themselves, by taking the public more fully into their confidence through the press, to effect a clearer understanding of their mutual obligations and interest, and a consequently closer relationship with their patrons. No corporate

business is so restricted in its conduct by legislative enactment and so carefully supervised in the public interest, and a mere reference to the reports and returns of the state superintendents in regard to the financial standing, history and conduct of the Companies, should be sufficient to convince the unprejudiced mind (as they have already convinced stockholders) that the business is not a money coining monopoly, and that advances in rates are not the result of unscrupulous trusts and combines, but are measures of self-preservation, and are essential to the very existence of the Companies, on whom, in turn, the public must rely to sustain its credit. Nor should it be difficult of demonstration that, in addition to bearing their full proportion of taxation, the Companies are accomplishing great good in their constant, united and successful efforts for improved fire departments, increased water supply facilities, safety of heating and lighting systems, more stringent building laws and the enforcement of proper safeguards from hazardous occupations, and thus limiting the Fire Waste of the country which has already grown to appalling dimensions.

I do not know that I can better state the arguments in favor of this organization and the advisability of its general support by all the Companies (at the risk of repetition) than by using the words of your Executive Committee in its circular of May 24, 1888 :

Apart from questions of rates and commissions, the common interests of underwriters touch at many points, and suggest concerted action for the advantage of all. Of the need of such action, there are many examples. One of the most striking may be found in the number and character of bills adverse to sound principles, and, consequently, opposed alike to the interest of the Underwriters and the public, which appear annually in State Legislatures. These furnish sufficient reason, even if there were no other, for Companies to come together and take such action as may be deemed wise, to relieve the business from the burdens imposed by unjust laws and taxation, and to avert, if possible, the danger of the multiplication of such laws in the future.

The action of the Board in years past, upon various matters of interest and importance committed to its Special and

several Standing Committees, is well known, and there is as urgent need that attention be given to many of these subjects now as at any time in the history of Underwriting. Material advance is everywhere noticeable. Mechanical appliances multiply, new inventions appear, fresh discoveries are made, and hazards not before known are constantly introduced, and must be considered by the Underwriter in the daily conduct of his business.

The annual meetings of the organization, as well as the meetings of the Executive Committee, would furnish opportunities for conferences and frequent interchange of views between the executive officers of Companies, not now afforded by any other organization. Topics of interest or moment to the members of the profession could be considered either at regular or special meetings, and such action taken as might best conserve the interests represented. It would seem highly desirable that the heads of the Fire Insurance interest, an interest which is called upon by the public need, to guard and protect by its policies the trade and industry of the entire country, should provide the means to facilitate such conferences in the interest not only of the capital represented, but with a due regard to the public welfare, and with a view of strengthening the bonds of comity, good will, and mutual trust, which should mark our common work and progress as Underwriters.

While it is true that we can claim that nearly every representative Company doing a large agency business throughout the country is a member of this Board, yet there are a few who have refrained from lending us their co-operation. I do not think I am assuming too much in saying that even these Companies must, in the course of their business, be benefited largely by the action of this Board, particularly in its work in defeating improper legislation in securing improvements of Fire Departments and Water Supplies, and the better control of electrical equipments; as well as in the use of its statistical and other tables in conducting their business. It seems hardly fair, such being the case, that we should not have their earnest and active co-operation, the encouraging effect of which would be incalculable.

E. A. WALTON,  
*President.*

MR. DRIGGS: Gentlemen, you have heard the reading of a most excellent address by the President. I move that it be accepted and printed in the proceedings of this meeting, and that a vote of thanks be extended to the President for his very able address.

Carried unanimously.

The President resumed the chair.

The Secretary suggested that the roll of absentees be called, some members having entered the room during the President's address, which was accordingly done.

PRESIDENT: The next matter in order is the report of the Chairman of the Executive Committee.

MR. BEDDALL: Mr. President and Gentlemen, I will give you in a concise form a statement of the matters which have received the attention of the Committee during the past year. It is in print and at the suggestion of the President I will read it.

Mr. Beddall then read the report as follows:

#### REPORT OF THE EXECUTIVE COMMITTEE.

THE Executive Committee respectfully submits a summary of matters considered and action taken thereon during the year.

It may be remarked that the reports of the Standing Committees cover in part subjects which have also had the attention of the Executive Committee, so that only a brief reference to such topics will here be made, members being referred to the reports of the several committees for detailed information.

This was the case in respect to the questions involved in the Income Tax returns, which had the attention of the Executive Committee at several meetings, both in separate session and jointly with the Committee on Legislation. The report of that Committee to be submitted to this meeting makes further reference to the subject unnecessary in this place.

It may be remembered that at the last annual meeting following the report of the Committee on Lighting and Heating, a discussion took place concerning the electrical hazard,

the outcome of which was that the Executive Committee was requested to consider the advisability of the adoption of a clause voiding a policy if electricity should be introduced on insured premises without notice to the Company. The matter was fully discussed at three meetings of the Committee. The New York Superintendent of Insurance was communicated with and he inclined to the view that such a rider could not be attached to the New York Standard Form. A member of the Committee, however, presented a legal opinion to the effect that the clause would be admissible under that form.

To avoid any question as to the right of Companies to attach it, another member proposed the following notice:

"The use of electricity for light, heat or power on the premises hereby insured will be regarded as an increase of hazard if the equipment is not satisfactory to this Company, and the assured is accordingly recommended to apply for permission for its use in all cases."

The entire subject was finally made a special order for the October meeting. In the meanwhile, at the suggestion of the Executive Committee, the legal question involved was considered by the Committee on Legislation, who referred it back without recommendation, and the Executive Committee, after further consideration, laid the matter on the table, not feeling prepared to take positive action or make a definite recommendation to companies on the subject.

Reference may be made in this connection to the fact that last year \$300 was voted to the Underwriters' National Electric Association for the purpose of furthering its work, especially that of making tests of electrical apparatus. The Executive Committee, in session on the 25th ult. considered the question of some further recognition of the services of that Association when on recommendation of the Committee on Lighting and Heating the following resolution was adopted:

"Resolved, That an appropriation of \$500 be and is hereby made for the use of the Underwriters' National Electric Association, the same to be expended under the direction of the Standing Committee on Lighting, Heating and Patents."

At the June meeting, the Committee appointed Mr. F. O. Affeld and ex-Inspector A. C. Hendrick to represent the Board

at the Convention of Fire Department Engineers held in Montreal in August.

At that Convention, the following resolution was adopted:

*“Resolved,* That a Committee, composed of Capt. Brophy and Mr. Flanders, of Boston, and Prof. Barrett, of Chicago, with a member to be added, representing the National Board of Fire Underwriters, be appointed to prepare diagrams to be sent to all municipalities wherever the overhead trolley system or high potential systems of electric lighting are used.”

As the representative of the Board under this resolution, the Executive Committee at the December meeting appointed Mr. J. H. Washburn, the Chairman of our Committee on Lighting and Heating, whose services have so often been of value to us in connection with the hazard of electricity.

At the last annual meeting the report then made by a Special Committee on Classification was referred to the Executive Committee for consideration. Although the plan submitted by the Special Committee contained much to commend it for adoption, it was yet the view of the Executive Committee that the Classification would be improved if recast more in detail and arranged alphabetically. This was done and the revised report was adopted at the October meeting. The carrying out of the plan was then referred to the Committee on Statistics, who will report the results so far as ascertained. Particular attention is invited to the remarks of that Committee on the difficulties likely to be encountered in procuring returns. It will be remembered that in issuing the classification to Companies which was done by Circular 461, they were asked whether they would be willing to make an analysis of premium writings on the plan indicated in the book of explanation and accompanying blanks. The replies to this inquiry gave no encouragement that any considerable number of companies would be sufficiently interested to engage in the undertaking.

As in former years, the New York members of the Executive Committee have constituted a Provisional Committee to give attention to matters in the interim of Executive Committee meetings. In this way the offers of reward are made, inasmuch as the members of the Committee on Incendiarism

and Arson are residents of different cities and frequent meetings of that Committee are not practicable. The full report of the Arson Committee, which will be submitted to you in due course, renders unnecessary any extended remarks on that branch of the work.

The office of the Executive Committee has continued its usual service in the interest of members with, it is hoped, satisfaction and benefit to all. Especial reference may be made to the collection of tariffs on file at 156 Broadway. These number over 3,000, covering, it is estimated, about 10,000 rated places, with a large number of special ratings not enumerated. Cabinets with card ratings, for Boston, Springfield, Lowell, Hartford, Worcester, New Haven, Philadelphia, Rochester, N. Y., and Newark, N. J., have also been received from the Boards of those cities. It will assist in the maintenance of rates if other places adopting that system will supply the National Board as soon as possible, and keep it advised of all changes and additions. It should be understood that this branch of the work is maintained mainly for the purpose of protecting the agents and companies of other places on business which may be offered in the large eastern cities at less than tariff rates. The Secretary has many acknowledgments from Local Boards showing the effectiveness of the service. Rates are only given to Board members or to such other companies as may sign a written agreement to observe any rate quoted. Although the National Board is no longer a rate making organization, it is fitting that it should continue these efforts to sustain the work of other associations in the interest of Local Boards and all conservative companies. The extent to which the tariff depository is used will be indicated when it is said that the calls for rates during the past four months have been as follows: November, 405; December, 425; January, 415; February, 318; March, 277; April, 266.

It should be stated that the tariffs of a number of places—among them some of the larger cities—are not supplied to the office because not in print, so that sometimes members must wait for a rate until a reply to a letter or despatch can be received. Of course, the office has a record of all associations,



Local Boards, inspectors, and stamp clerks, so as to be prepared to call for information at any time.

Without wishing to state anything already known to members, it yet seems proper to add that the work of the several Standing Committees is, under their direction, done mostly through the office of the Executive Committee which, together with the correspondence and general matters seeking the office channels, keeps the limited force fully employed. Members may notice also the moderate expenditure for the entire service, which (excepting the outlay for special matters, as appears from the Treasurer's report), amounted to less than \$10,000 during the year.

A reference to the address of the President will show the retiring members of the Executive Committee, who cannot be re-elected until the lapse of a year from the expiration of their terms, and whose places are to be filled at this meeting.

Respectfully submitted,

E. F. BEDDALL,  
*Chairman.*

THE PRESIDENT: Gentlemen, you have heard the report of the Executive Committee, and unless there be objection it will take the usual course and be printed in the proceedings of the meeting.

THE PRESIDENT: The report of the Treasurer, Mr. Fred W. Arnold will now be read.

The Treasurer read his report as follows :

ANNUAL REPORT OF THE TREASURER FOR THE FISCAL YEAR ENDING  
MAY 1, 1895.

GENERAL FUND.

To Balance on hand as reported to the annual meeting of May 10, 1894.....	\$4,493 18
Received of 81 companies from assessment....	12,710 55
Received interest on deposits :	
To July 1st.....	\$66 84
October 1st.....	93 78
January 1st.....	81 56
April 1st.....	62 75
	<hr/>
	304 93
	<hr/>
	\$17,508 66

## Paid twelve months' expenses as follows :

Salaries.....	\$5,280 00	
SPECIAL.		
Banquet .....	\$793 45	
Counsel.....	2,577 37	
Classification.....	789 87	
	<hr/>	4,160 69
Printing.....		1,291 93
Janitor—coal and gas .....		284 87
Postage, etc.....		305 36
Office furniture and repairs.....		90 35
Reporting and telephone ...		182 07
Traveling.....		38 90
Sundries.....		267 50
Rent.....		1,500 00
		<hr/>
		\$13,401 67
Balance on hand May 1, 1895.....	4,106 99	
	<hr/>	\$17,508 66

## INSPECTION FUND.

To Balance on hand as reported to the last annual meeting of May 10, 1894.....	\$1,227 06	
Received assessment from 77 companies....	6,167 17	
Advanced expenses returned by Inspector....	15 00	
	<hr/>	\$7,409 23
Paid expenses as follows :		
Salary of Inspector.....	\$1,400 00	
Traveling expenses.....	958 62	
Printing.....	850 30	
Balance on hand May 1, 1895.....	4,200 31	
	<hr/>	\$7,409 23

## INCENDIARISM AND ARSON REWARD FUND.

To Balance on hand as reported to the last annual meeting of May 10, 1894 .....	\$3,226 54	
Paid rewards as follows :		
May 23d, San Antonio, Tex.....	\$250 00	
August 3d, Geneva, N. Y.....	250 00	
October 3d, Media, Pa.....	250 00	
December 10th, Farrill, Ala.....	250 00	
December 10th, Sailor Springs, Ill.....	250 00	
March 7th, Browning, Mo .....	500 00	
March 7th, Waverly, O.....	250 00	
March 19th, New York City....	250 00	
January 16th, Special Kansas City case.....	336 30	
Advertising.....	286 75	
Balance on hand May 1, 1895 .....	353 49	
	<hr/>	\$3,226 54

THE PRESIDENT: Gentlemen, the Board have heard the report of the Treasurer. What is your pleasure?

On motion the report of the Treasurer was received and placed on file.

#### COMMITTEE ON NOMINATIONS.

The President then appointed the following-named gentlemen as a Committee to nominate officers for the ensuing year:

Messrs. E. F. Beddall, New York; Greville E. Fryer, Philadelphia; J. H. Washburn, New York; J. F. Dudley, Hartford; Tattnell Paulding, Philadelphia.

THE PRESIDENT: The report of the Finance Committee, Mr. Litchfield, Chairman, is now in order.

Mr. Litchfield then made the following report:

#### REPORT OF FINANCE COMMITTEE.

THE FINANCE COMMITTEE respectfully reports that the accounts of the Treasurer have been duly audited and found to be correct.

The Committee recommends an assessment of  $\frac{1}{80}$ th of ONE PER CENT. on the net premium receipts in 1894, of the members as reported to State Departments, for the expenses of the ensuing year—estimated upon the same basis as last year.

#### FOR THE WORK OF FIRE DEPARTMENT INSPECTION.

Last year an assessment of  $\frac{1}{100}$ th of ONE PER CENT. was made upon the net premium receipts of Companies for the Fire Department Inspection. The balance on hand of \$1,200 $\frac{31}{100}$  makes an immediate assessment for that purpose unnecessary, and we recommend that the question of an assessment, if it should be necessary, during the current year, be referred to the Executive Committee with power.

#### INCENDIARISM AND ARSON REWARD FUND.

The small balance in this fund of \$353 $\frac{49}{100}$  makes it necessary to make an assessment at this meeting. Your Committee therefore concurs in the recommendation of the Incendiarism and Arson Reward Fund Committee, that an

assessment of ONE-HALF CENT ON EACH ONE HUNDRED DOLLARS of net premium receipts for 1894 be voted.

E. LITCHFIELD, Chairman,

M. A. STONE,

THOS. F. GOODRICH,

NEW YORK, May 9, 1895.

*Committee.*

On motion the report of the Finance Committee was accepted and its recommendations adopted.

THE PRESIDENT: The next business in order is the report of the Committee on Legislation and Taxation.

Mr. Sheldon submitted the following report:

#### REPORT OF COMMITTEE ON LEGISLATION AND TAXATION.

MR. PRESIDENT AND GENTLEMEN OF THE BOARD:

More than ordinary services have been required of your Committee on Legislation, during the year, owing to the passage by Congress of the act providing for an Income Tax. As this affected Fire Insurance Companies in common with other corporations, the Committee felt that it could address itself to no more important matter in the interest of members. Legal points regarding the interpretation of the law were likely to arise and the form in which returns were to be made by Companies on the Government blank would require careful consideration. The Committee did not, however, await the enactment of the law before giving the subject attention. As soon as it became apparent that such a measure would pass, conferences were had and the bill watched throughout its several stages. At a joint meeting with the New York members of the Executive Committee held May 22, 1894, it was decided to retain counsel with a view of securing, if possible, such amendments to the Bill then pending as would provide that the tax if levied "be upon *earned* premiums and interest receipts less expenditures including losses."

A brief was prepared by counsel and hearings had before the Committee of the United States Senate as a result of which, your Committee was enabled to report to the June

meeting of the Executive Committee the incorporation of the following amendment to the Bill :

SEC. 59.—“ That there shall be levied and collected a tax of two per centum on the net profits or income above ordinary working or operating expenses, *losses*,” etc., etc. Thus one of the points for which the Committee had contended was gained by an actual amendment to the bill, and although an amendment providing for the exclusion of unearned premiums was not secured, yet the discussion of the subject was so full that members of the Senate Committee did not hesitate to express themselves as believing that such premiums would be a proper subject of deduction, and this has been allowed under the form of returns finally made as members are aware.

Companies have been informed by special circulars issued by the Committee of the views of counsel upon all points which have arisen since the enactment of the law. Two pamphlets were issued January 29th and March 21st,—taking up the questions of the Government blank *seriatim*, and advising as to the answer to each. In addition to this, pending the decision in the U. S. Supreme Court as to the constitutionality of the Act, a form of protest was prepared to be filed with each return, reserving to the Companies the right to avail themselves of any and all decisions as to the validity of the Act or any provision thereof, or to bring action or take proceedings as may be advised at any future time in reference to the same.

The Committee trusts that its action in all of these respects has been acceptable and of advantage to the entire membership of the Board.

The general course of legislation as affecting Fire Insurance Companies has been similar to that of recent years. The bills adverse to our interest have been very numerous. It does not seem important to enumerate them or to make any extended statement of their character, already so well known to members. The Committee has itself given attention to them where direct service appeared to be desirable, but has relied largely upon the several Associations having jurisdiction throughout the States, to whom, as also to local Boards of

Fire Underwriters in the leading cities, acknowledgment is made of valued services rendered.

Your Committee in closing desires to refer to the favorable legislation in the State of Maine. In the inaugural address of Gov. Henry B. Cleaves on January 3d, the attention of the Legislature was directed to the subject in the following words :

"The Legislature has continued to pass laws upon this subject until our statutes have become a mass of seeming contradictions, difficult of interpretation or comprehension ; rates to the people for fire insurance have continually increased, fire losses are multiplying, and, during the past two years, fourteen fire insurance companies, representing a capital of more than five million dollars, have discontinued their business in Maine and withdrawn from the State. It is estimated that the annual fire waste to our State is two million dollars. This destruction of values is of serious consequence to the material interests of the State. Numerous measures have been adopted by several States with good results, tending to reduce this vast and unnatural destruction of property, and securing to the assured cheaper rates and absolute indemnity for loss. The time has arrived when sufficient protection against fire cannot be obtained by our people in sound insurance companies authorized to do business in our State."

In due time bills were introduced in the Legislature to repeal certain laws passed in 1893—notably the anti-compact law and the law forbidding co-insurance. On this subject Mr. J. F. Dudley, Vice-President of the Aetna Insurance Co., advised the Committee :

"We enclose herewith copy of laws passed by the Maine Legislature at its last session. The matter of special importance in this legislation is the enactment of the law adopting a standard policy, and what is of especial interest in this law is the last section, numbered 3, which 'repeals all acts and parts of acts,' etc. This conveys more than appears upon its face, inasmuch as there are some obnoxious laws on the statute books in regard to statements of assured construed to be simply explanatory and not of binding effect. In chapter 26 on page 8, the repeal of chapters 285 and 286 of the laws of 1893 is pregnant of good results to the fire companies. This allows the use of co-insurance clause without restriction, and furthermore allows the companies the right to carry to the United States Court any case, as any citizen is allowed to do in other matters. Altogether you will observe the session was of unusual benefit to insurance companies."

In addition to this a law was enacted providing for investigation of fire causes with a view to prosecution in case of a

fire being attributable to carelessness or design, and another providing for the appointment of building inspectors in places of 2,000 population or more, having for its purpose greater security in the care and construction of buildings.

While the course of legislation has been and still is so generally against us, your Committee regards the reform accomplished in Maine as of special significance in that it not only repealed bad laws, but enacted acceptable ones in their place. For this result recognition is largely due to our New England members.

Respectfully submitted,

GEO. L. CHASE, *Chairman*.

GEO. P. SHELDON.

HENRY W. EATON.

E. C. IRVIN.

THOS. H. MONTGOMERY.

Mr. SHELDON (continuing): The principal matter, as you will observe from the report, is the action of our Committee with reference to the income tax. I may refer to a question raised by the collectors, with reference to allowing the Companies to deduct only the losses for 1894, which were actually paid during that year. The collectors have called the attention of the Companies to the fact that they could only allow the deduction to be made of those losses which were actually paid during the year, not the total of the incurred loss. The matter has been brought to the attention of the Department, and there is no doubt that instructions will be given from Washington to allow us to deduct from our incomes the losses incurred during 1894, whether paid or not.

The other matter is one for congratulation, and that is the success which has accompanied action taken with reference to the legislation in the State of Maine. You are all familiar with that. To the action of a very competent committee of Eastern members, we are able to ascribe that success, and to state that all the objectionable statutes have been removed from the legislation of that State. This is the first time that we have been able to secure the repeal of such objectionable laws.

It was moved and seconded that the report of the Committee on Legislation and Taxation be accepted and filed, and spread upon the record.

The motion was carried unanimously.

**THE PRESIDENT:** The next business in order is the reading of the Report of the Committee on Incendiarism and Arson.

In the absence of any member of the Committee the report was submitted by the Secretary and its reading dispensed with.

### REPORT OF THE COMMITTEE ON INCENDI- ARISM AND ARSON.

*Mr. President and Gentlemen:*

The work of the Incendiarism and Arson Reward Fund has been continued for another year and the results will be briefly reported as usual.

There have been 219 offers during the year amounting to \$67,575. Since the fund was subscribed in 1873, the offers number 3,414, aggregating \$1,193,750.

Eight rewards were paid between April 1, 1894, and April 1, 1895, amounting to \$2,250, and securing ten convictions. In all 181 rewards have been paid since the fund was established, amounting to \$53,875 and securing 260 convictions.

There are now 104 subscribing companies.

The Treasurer's report for the fiscal year ending May 1, is as follows:

#### TREASURER'S REPORT INCENDIARISM AND ARSON REWARD FUND.

On hand as reported to the Board at the last annual meeting (p. 57 of the proceedings).....	\$3,226 54
Paid rewards as follows:	
May 23, San Antonio, Tex.....	\$250 00
Aug. 3, Geneva, N. Y.....	250 00
Oct. 3, Media, Pa.....	250 00
Dec. 10, Farrill, Ala.....	250 00
Dec. 10, Sailor Springs, Ill.....	250 00
Mch. 7, Browning, Mo.....	500 00
Mch. 7, Waverly, O.....	250 00
Mch. 19, New York City.....	250 00
Jan 16, Special Kansas City case.....	886 80
Advertising.....	286 75
<b>Balance, May 1, 1895.....</b>	<b>353 49</b>
	<hr/> \$3,226 54



As there is a balance of only \$369.74 it is recommended that an assessment be made at this meeting. The amount of each assessment is provided for by the revised rules, viz., one-half cent on each \$100 of net premium receipts of the calendar year previous to that in which the assessment is made. The last like assessment was made two years ago.

A summary of the facts relating to the rewards paid during the year will now be given.

SAN ANTONIO, TEXAS.—REWARD No. 3,026, \$250; paid May 23, 1894, offered July 17, 1893. Premises of Ludwig Strey, frame dwelling and barn, fired July 8, 1893. This reward secured the conviction of the assured, who was sentenced to two years in the State Penitentiary.

GENEVA, N. Y.—REWARD No. 3,116, \$250; paid Aug. 3, 1894, offered December 6, 1893. Premises of F. E. Chase, farm barn contents owned by Richard Mansfield, fired October 28, 1893. The incendiary was Walter Combs, who pleaded guilty and was sentenced to the New York State Reformatory at Elmira, N. Y. Combs was promised \$5 by Chase to fire the barn, the motive of the latter being to procure the insurance money. Combs testified, however, that he never received even that small compensation for his crime—which probably led him to plead as he did when arrested, making a confession implicating Chase. Chase was also arrested, arraigned, pleaded not guilty, and placed under bonds. As, however, it was shown that Combs committed the act, Chase not being present at the time, the Committee decided to pay the amount to the claimant instrumental in unearthing the crime and in securing the conviction. Subsequent inquiry as to the result of the proceedings against Chase, brings the information that he is still on bail, with the probability that he will be tried in June.

MEDIA, PA.—REWARD No. 3014, \$500, to apply upon a first conviction in any of the following cases: (1) Barn of Dr. T. C. Stellwagon, fired May 15, 1893; (2) barn of Joseph B. Taylor, fired June 2, 1893; (3) dry goods store of Joseph B. Taylor, fired May 22, 1893. Conviction was had of one John G. Smedley, who was sentenced to five years in the penitentiary. Inasmuch as the conviction did not take place in any of the said cases, the Board could not have been held to pay the reward under the terms of the offer; yet, as Smedley had been indicted for setting eight fires, two of those above-named being of the number, the Committee voted to pay one-half of

the reward to the "Media Protective Association," shown to have been instrumental in securing the incarceration of the incendiary. It appears that the court withdrew the other indictments, although stating that there was sufficient evidence for the jury to consider all. An inquiry for the motive of the incendiary drew out the statement that in two cases it was revenge. Smedley also appeared to be possessed of a mania for firing property when under the influence of liquor.

In the "Media Protective Association" the Committee found an organization composed of fire insurance agents and others, whose object is to be commended. This is declared to be to investigate the cause of all fires in the borough and it is provided that the directors shall meet on the evening following the day on which any fire takes place and employ proper means to investigate and prosecute if incendiarianism be suspected. Is there not a suggestion here which could be followed by agents of other places with good results in their respective communities?

FARRILL, ALA.—REWARD No. 3,130, \$250, offered December 21, 1893, in the case of the firing of A. R. Wright's country store and post office on October 23, 1893. Two convictions took place: 1. David Young, sentence 3 years and \$100 fine, with costs. 2. Geo. Young, convicted of arson in the second degree, and sentenced to 7 years in the penitentiary; broke jail, was re-arrested and convicted of larceny and is now serving a sentence of 7 years for breaking into another Post Office. The proceedings under which the final convictions were had were in the U. S. District Court. Although the indictments were for breaking into post offices, yet it was shown that the fire was set to cover theft, and therefore the Committee voted to pay the reward. The booty secured at the Farrill post office was about \$3 in money and some postage stamps.

SAILOR SPRINGS, ILL.—REWARD 3,296, \$250, offered September 26, 1894, for firing hotel of C. E. Hilts, December 25, 1893. Paid December 10, 1894, securing the conviction of one Richard Smith, sentenced to 10 years in the State penitentiary. The motive in this case was revenge. It was proven that the defendant was on the premises in an intoxicated condition and was ejected, whereupon he made threats which he afterward executed by firing the property.

WAVERLY, OHIO.—REWARD No. 3,227, \$250, offered May 11, 1894, paid March 7, 1895. Barn of Jas. H. Malone, fired April 30, 1894. Convictions, James H. Malone, sentenced to

3 years and costs (\$797), and Charles Hayes, .1 year and costs (\$33). In response to an inquiry as to the motive in this case, we are advised that the buildings were occupied by a tenant; Malone having a mortgage due on his wife's property where he resided, and his purpose was to obtain sufficient means to liquidate the debt by recovering from the Insurance Company. The buildings were much over-insured.

BROWNING, MO.—REWARD No. 2,852, \$500, paid March 7, 1895; offered August 27, 1892, and twice renewed, in the case of the firing of lumber and agricultural implements of R. L. Gibson & Bro., April 28, 1892. In this instance one Alvah C. Ross was convicted, and although he subsequently escaped from jail pending his transfer to the penitentiary, the Committee voted to pay the reward, as the evidence of prolonged and faithful work on the part of the claimant was clearly shown. We quote from a letter: "Ross was the tool and the principals were a banker and lawyer, and his brother, now held for the murder of Gus Weeks, wife and two children. Weeks was a strong witness against them, as to the fire, and they decoyed him away from home and put him out of the way. Before the arrest of these parties we had a fire every few weeks and more than \$40,000 in losses. Another accomplice died in jail. The principals had had a number of fires and are believed to have enriched themselves at the expense of Insurance Companies.' A trial in April for murder resulted in a disagreement of the jury. Another trial is likely to be held.

NEW YORK CITY.—REWARD No. 3,133, \$250; offered January 5, 1894; premises 521 East 12th Street, fired December 18, 1894. Renewed January 5, 1895, and paid March 14, 1895, Mrs. Ida Lieberman having been convicted and sentenced to six years and eight months in the State penitentiary.

This is one of the notorious instances of incendiarism in New York City where it was clearly the purpose to defraud the Insurance Companies. It is now a matter of public knowledge that frauds of this character have been perpetrated through unprincipled parties styling themselves brokers and public adjusters. In the Ida Lieberman case it was shown that the "public adjuster" employed the parties who set the fire. This same adjuster is now in jail with two charges of arson pending against him.

In the opinion of Fire Marshal Mitchel the practice of settling losses in New York City through these public adjust-

ers is to be severely criticised, leading, as it has done in so many cases, to fraud and crime. By the efforts of the Fire Marshal one of the most notorious of these rogues—Max Grauer—was convicted and sentenced March 1, 1895, to 30 years' imprisonment. His accomplice, Louis Rothman, pleaded guilty, and was sentenced to 15 years, in January last, at which time the woman, Sarah Silbermeister, associated with them, received a sentence of 25 years. The record of the Fire Marshal's office shows that there have been 24 convictions for arson in the last ten years and that 18 other incendiaries have pleaded guilty under the pressure brought to bear upon them. Four were fugitives from justice and seven are awaiting trial. High commendation is due Fire Marshal Mitchel and other officers contributing to the result in these and other cases. The New York Board of Fire Underwriters, recognizing this, passed the following resolution :

*Resolved, That in the opinion of members of the Board not only the thanks of the Underwriters of this city, but also of the citizens of New York, are due to Assistant District Attorney Davis and Fire Marshal Mitchel for their sagacious and energetic labors, resulting in the detection and punishment of the band of incendiaries who have recently caused so many fires in this city, destroying property and endangering life. When it is taken into account that any fire starting in a building may, under adverse circumstances, destroy an entire city, and endanger the lives of hundreds of its citizens, it is impossible fully and properly to estimate the importance of the services of these earnest and efficient officers, who have proven themselves guardians of the public safety.*

A large number of apartment house fires have recently occurred in New York City on the west side. Reports in the daily press indicate that many of these fires have been set for the purpose of giving opportunity for robbery. The matter will be the subject of a searching investigation on the part of the Fire Marshal.

The usual table of rewards offered and paid will follow :

TABLE I.  
NUMBER AND AMOUNT OF REWARDS OFFERED IN EACH STATE  
FROM APRIL 1, 1894, TO APRIL 1, 1895.

STATE.	NUMBER.	AMOUNT.
ALABAMA.....	6	\$1,750 00
COLORADO.....	2	500 00
CONNECTICUT.....	5	1,750 00
DISTRICT OF COLUMBIA...	1	500 00
FLORIDA.....	4	1,000 00
GEORGIA.....	11	2,750 00
ILLINOIS.....	8	2,500 00
INDIANA.....	7	2,100 00
IOWA.....	6	1,450 00
KANSAS.....	4	1,000 00
KENTUCKY.....	4	850 00
LOUISIANA.....	3	1,000 00
MAINE.....	1	500 00
MARYLAND.....	1	250 00
MASSACHUSETTS.....	5	1,500 00
MICHIGAN.....	1	250 00
MINNESOTA.....	2	500 00
MISSISSIPPI.....	1	250 00
MISSOURI.....	6	1,650 00
NEBRASKA.....	5	1,200 00
NEW JERSEY.....	13	4,850 00
NEW YORK.....	34	12,550 00
OHIO.....	23	7,200 00
PENNSYLVANIA.....	19	6,550 00
SOUTH DAKOTA.....	1	250 00
SOUTH CAROLINA.....	10	2,775 00
TENNESSEE.....	14	3,450 00
TEXAS.....	6	2,000 00
VERMONT.....	6	2,400 00
VIRGINIA.....	8	1,800 00
WISCONSIN.....	2	500 00
	219	\$67,575 00

TABLE II.

CLASSIFYING THE REWARDS OFFERED DURING THE YEAR WITH  
REFERENCE TO THEIR AMOUNTS, GIVES THE FOLLOWING TABLE:

6 Rewards of \$1,000.....	\$6 000 00
36 " " 500.....	18,000 00
1 " " 450.....	450 00
8 " " 300.....	2,400 00
154 " " 250.....	38,500 00
9 " " 200.....	1,800 00
4 " " 100.....	400 00
1 " " 25.....	25 00
<hr/> 219	<hr/> \$67,575 00

TABLE III.

STATEMENT OF THE NUMBER AND AMOUNT OF REWARDS OF-  
FERED EACH YEAR SINCE THE FIRST SUBSCRIPTIONS TO THE  
FUND, IN 1873, viz.:

YEAR.	NUMBER.	AMOUNT.
1873-4.....	80	\$46,350 00
1874-5.....	137	61,375 00
1875-6.....	180	71,400 00
1876-7.....	161	59,900 00
1877-8.....	89	35,050 00
1878-9.....	163	59,550 00
1879-80.....	174	54,000 00
1880-1.....	123	41,375 00
1881-2.....	141	46,950 00
1882-3.....	148	48,200 00
1883-4.....	113	38,150 00
1884-5.....	169	59,500 00
1885-6.....	164	57,500 00
1886-7.....	167	51,050 00
1887-8.....	128	43,300 00
1888-9.....	143	50,700 00
1889-90.....	156	49,900 00
1890-1.....	159	49,100 00
1891-2.....	169	57,025 00
1892-3.....	212	74,700 00
1893-4.....	219	71,100 00
1894-5.....	219	67,575 00
<hr/> TOTAL.....	<hr/> 3,414	<hr/> \$1,193,750 00

TABLE IV.

CLAIMS WERE PAID DURING THE YEAR AS FOLLOWS:

PLACE OF FIRE.	Date Paid.	Amount	Names of Criminals.	SENTENCES.
	1894.			
San Antonio, Texas.	May 28	\$250 00	Ludwig Strong.....	2 years Penitentiary.
Geneva, N. Y. ....	Aug. 8	250 00	Walter Combs.....	State Reformatory till discharged.
Media, Pa. ....	Oct. 8	250 00	Jno. G. Smedley.....	5 years Penitentiary.
Farrill, Ala. ....	Oct. 10	250 00	{ David Young.....	8 years, \$100 fine and costs.
			{ George Young.....	7 years Penitentiary.
Tailor Springs, Ill. ....	Dec. 10	250 00	Robert Smith.....	10 years, 1 day solitary confinement.
	1895.			
Waverly, Ohio.....	March 7	250 00	{ Jas. H. Malone.....	3 years, \$797.31 (costs).
			{ Chas. Haynes.....	1 year and costs (\$32.69).
Browning, Mo. ....	March 7	500 00	Alva C. Ross.....	5 years Penitentiary (escaped).
New York City.. ...	M'ch 19	250 00	Ida Liebemann.....	6 years, 8 months.
Rewards paid.....		2,250 00	10 convictions.....	
Also paid : Posters and Printing for the year .....		286 75		
Kansas City Special..		336 80		

TABLE V.

TOTAL CONVICTIONS SINCE THE ESTABLISHMENT OF THE FUND  
MAY BE NOTED FROM THE FOLLOWING:

YEARS.	Number of Rewards Paid.	Sum of Rewards Paid.	Special & Sundry Exp'se of Posters & Printing.	Life Sentences.	Death Sentences.	Total Convictions.	Aggregate Sentences.	
							Yrs.	Mos.
From 1873 to April 1, 1894.....	173	\$51,625	\$11,540 19	15	2	250	1282	8
From April 1, 1894, to April 1, 1895.....	8	2,250	623 05	..	..	10	42	8
Total. ....	181	\$53,875	\$12,163 24	15	2	260	1325	4

TABLE V.

EXHIBIT COMPARING THE NUMBER AND AMOUNT OF REWARDS  
OFFERED, WITH THOSE PAID.

OFFERED.			PAID.		
135 of \$1,000.....	\$135,000		2 of \$1,000.....	\$2,000	
29 750.....	21,750		40 500.....	20,000	
1 700.....	700		5 400.....	2,000	
2 600.....	1,200		2 350.....	700	
970 500.....	485,000		8 300.....	2,400	
1 450.....	450		84 250.....	21,000	
23 400.....	9,200		12 200.....	2,400	
37 350.....	12,950		1 175.....	175	
167 300.....	50,100		10 150.....	1,500	
1,627 250.....	406,750		14 100.....	1,400	
219 200.....	43,800		2 125.....	250	
2 175.....	350		1 50.....	50	
132 150.....	19,800				
1 125.....	125				
64 100.....	6,400				
3 50.....	150				
1 25.....	25				
<b>3,414</b>	<b>\$1,193,750</b>		<b>181</b>	<b>\$53,875</b>	

Percentage of number rewards paid to number offered,  
.05  $\frac{33}{100}$ .

Percentage of amount paid to amount offered, .04  $\frac{51}{100}$ .

Secretary Chas. D. Haven, of San Francisco, has again favored us with a statement of the operation of the Pacific Coast Arson Fund for the year, as follows:

SAN FRANCISCO, April 5, 1895.

MR. H. K. MILLER,

Sec. Ex. Com. National Board Fire Underwriters, New York, N. Y.  
Dear Sir:

In reply to your letter of 26th March, I herewith send you a statement of Rewards offered and paid for convictions for arson during the past year, together with a recapitulation of statistics.



YEARS.	Number Offered.	Amount Offered.	Number of Convictions.	Amount of Rewards Paid.	Aggregate Sentences.	Average Sentence.
1875 to 1894	562	\$234,350	83	\$27,850	493 y'rs.	
1894 to 1895	60	21,000	10	1,275	26½ y'rs.	5 <sup>6</sup> / <sub>8</sub> y'rs.
20 Years	622	\$255,350	92	\$29,125	519½ y'rs.	5 <sup>1</sup> / <sub>16</sub> y'rs.

Of the persons convicted, six were males and four females. Five were adjudged insane by a Board of Insanity Commissioners, and placed in an asylum for the insane, and five were committed to the penitentiary. Of the five insane commitments, two were men and three were women. There can be no reasonable doubt of the insanity of these persons, and their confinement in an insane asylum will prevent them from doing further mischief.

One insane woman was very cunning in doing her diabolical work, and was guilty of several attempts at incendiarism before the crime could be unquestionably fastened upon her.

Notwithstanding the depressed condition of business, there has not been more incendiarism than usual.

Yours very truly,

CHAS. D. HAVEN,  
*Treasurer.*

#### SPECIAL OFFER.

The special authority voted by the Board May 18, 1893, to permit the offer of a reward applying to any fires within certain dates where there is reason to suspect persistent incendiarism has only been used once during the year. Owing to the peculiar circumstances the reward was not made public. The question of its offer had been referred to a Special Committee composed of the President of the Board, Chairman of the Executive Committee, and Treasurer, in conjunction with the Chairman of this Committee; as also the question of certain detective service deemed necessary, inasmuch as it was advisable to watch the premises which there was reason to believe would be fired. The reward was drawn so that if it accrued the expenses would be deducted. Probably because the parties were unable to procure insurance there was no fire, and the expense of the detective service was

paid from the fund. This will account for the item of \$336.30 in the Treasurer's account not otherwise explained.

#### STATE FIRE MARSHAL LAW.

A law establishing the office of a State Fire Marshal is now operative in Massachusetts. The State of Maryland has a similar law and we notice that bills to enact like laws have been introduced in the Legislatures of other States during the winter. The following letter from Insurance Commissioner Geo. S. Merrill regarding the Massachusetts law may be of interest :

BOSTON, April 3, 1895.

MR. HENRY K. MILLER,  
National Board of Fire Underwriters,  
New York.

*Dear Sir :*

Replying—the law authorizing the office of Fire Marshal was passed last year and the office has only been in practical operation since the 1st of August, and therefore it is impossible to speak of it with actual results of any continued experience.

The present Fire Marshal, however, had long experience in the office of Fire Marshal of the City of Boston under a previous statute, and I think there can be no possible doubt from the results of the past six months as to the efficiency and admirable work which will be accomplished under the law. *During this period more arrests of incendiaries have been made than in the three or four years immediately preceding*, and I think the Marshal has succeeded in obtaining actual confessions from no less than eight, with others likely to be convicted. In one locality alone for several weeks there was a series of incendiary fires, until the whole neighborhood became terrorized. The Fire Marshal made an arrest, and from that date until now not a single incendiary fire has occurred in that locality.

I believe that after the office shall have become in thorough working condition, its efforts will save to the Companies and the insured in this Commonwealth a half million dollars annually, not only in the suppression of incendiarism but under one of the most important provisions of law in enforcing upon property holders the removal of inflammable materials or conditions upon their premises.

Respectfully yours,

GEO. S. MERRILL,  
*Commissioner of Insurance.*

In this connection we may mention a circular, with a copy of which the Massachusetts Fire Marshal, Chas. W. Whitecomb,

has favored us, addressed to selectmen, and advising against the offer of rewards without consulting his office. On writing the Fire Marshal as to his view of the Reward System as conducted by Underwriters, he says:

"My opinion on such action is entirely elastic in its nature, and the wisdom of adopting such course would depend entirely upon the particular circumstances surrounding each case. As a general rule, my belief is founded upon experience, that, where the fires of a certain locality are obliged to be investigated by a fire marshal, or other investigator, the offering of a reward without consultation with such official would often prove embarrassing, and, at times, fatal to the success of such official's work. For instance, where a fire is believed to have been set by one person, without the assistance of others, it would generally happen that there would be no witness to whom a reward would appeal, and the offering of it would only serve to put the suspected party more on his guard. \* \* \* \* Of course there are times, when other means have failed, where the offering of a reward might prove of great assistance, particularly when an organized band or crowd of several are believed to be setting fires, the temptation to get the reward may be sufficient to cause some one of the guilty parties to give the others away.

It may be said that the course suggested is the one we have followed in New York city, *i.e.*, not to offer a reward without first ascertaining of the Fire Marshal whether it would embarrass the operations of his office or not. There are instances, however, where rewards seem necessary to induce the authorities to act. One such came to our notice in the request for an offer in a neighboring city, where it had been distinctly stated that without a sufficient reward there would be no indictment by the grand jury. We advised against the offer under such circumstances, but it was the judgment of the subscriber interested that the offer should be made; this was done under conditions, however, which provided for the payment of a part of the reward upon the first conviction, and a part for each additional conviction up to the limit of the reward. *Subscribers are again reminded that it is not the purpose of the fund to reward officials for discharging their duty, but to offer an incentive for the detection, conviction and incarceration of incendiaries, in cases not likely to be taken up without such an incentive.*

In the Appendix will be found a list of subscribing Companies; also a reprint of the Rules.

Respectfully submitted.

G. A. VAN ALLEN, Albany, Chairman.

GREVILLE E. FRYER, Philadelphia.

GEORGE H. BURDICK, Hartford.

J. J. GUILLE, New York.

CHARLES JANVIER, New Orleans.

*Committee.*

## APPENDIX A.

### LIST OF SUBSCRIBERS TO THE INCENDIARISM AND ARSON REWARD FUND.

Ætna.....	Hartford
Agricultural.....	Watertown, N. Y.
Albany.....	Albany, N. Y.
American Central.....	St. Louis
American.....	Boston
American.....	Newark
American.....	New York
American Fire.....	Philadelphia
Broadway.....	New York
Caledonian.....	New York
Capital.....	Des Moines, Iowa
Cincinnati.....	Ohio
Citizens'.....	New York
Citizens'.....	St. Louis
City.....	Pittsburgh
Commerce.....	Albany
Commercial Union.....	England
Concordia Insurance Co.....	Milwaukee, Wis
Connecticut.....	Hartford
Continental.....	New York
Delaware.....	Philadelphia
Detroit Fire and Marine.....	Detroit, Mich.
Empire City.....	New York
Equitable F. & M.....	Providence, R. I.
Farmers'.....	York, Pa.
Farragut.....	New York
Fire Association.....	Philadelphia

Fire Insurance Company, County of Phila.....	Philadelphia
Firemen's.....	Baltimore
Firemen's Fund.....	San Francisco
Franklin Fire.....	Philadelphia
German.....	Freeport, Ill.
German-American.....	New York
Germania.....	New York
Girard.....	Philadelphia
Glens Falls.....	Glens Falls, N. Y.
Greenwich.....	New York
Hanover.....	New York
Hartford Fire.....	Hartford
Home.....	New York
Imperial.....	England
Indiana.....	Indianapolis
Insurance Co. of North America.....	Philadelphia
Lancashire.....	England
Lion Fire.....	England
Liverpool and London and Globe.....	England
London Assurance Corporation.....	England
London and Lancashire.....	England
Manchester.....	England
Mechanics'.....	Philadelphia
Mechanics' and Traders'.....	New Orleans
Mercantile Fire and Marine.....	Boston
Merchants', The.....	Newark, N. J.
Merchants'.....	Providence, R. I.
Merchants' and Manufacturers'.....	Cincinnati
Michigan Fire and Marine.....	Detroit
Millers' National.....	Chicago
Milwaukee Mechanics'.....	Milwaukee
National.....	Cincinnati
National.....	Hartford
Newark Fire.....	Newark, N. J.
New England Fire.....	Rutland, Vt.
New Hampshire.....	Manchester, N. H.
Niagara.....	New York
North American.....	Boston
North British and Mercantile.....	England
Northern.....	England
Norwich Union Insurance Society.....	England
Orient.....	Hartford
Pacific.....	New York
Pennsylvania.....	Philadelphia
Phenix.....	Brooklyn
Phoenix.....	Hartford
Phoenix.....	London

Planters' Fire and Marine .....	Memphis, Tenn.
Providence Washington.....	Providence, R. I.
Queen.....	New York
Reading .....	Pennsylvania
Reliance.....	Philadelphia
Rochester German.....	Rochester, N. Y.
Royal.....	England
St. Paul Fire and Marine.....	St. Paul, Minn.
Scottish Union and National.....	Edinburgh
Springfield Fire and Marine.....	Springfield, Mass.
Spring Garden.....	Philadelphia
State.....	Nashville, Tenn.
State.....	Des Moines, Iowa
Sun Mutual.....	New Orleans
Southern.....	New Orleans
Sun Insurance Office.....	London
Susquehanna Mutual.....	Harrisburgh, Penn.
Traders' .....	Chicago
Transatlantic.....	Germany
United Firemen's.....	Philadelphia
Union .....	Buffalo
Union.....	Philadelphia
Union Assurance.....	England
United States .....	New York
Virginia Fire and Marine.....	Richmond, Va.
Virginia State.....	Richmond
Westchester.....	New York
Western.....	Toronto
Western .....	Pittsburgh
Williamsburgh City.....	New York

## APPENDIX B.—RULES.

### INCENDIARISM AND ARSON REWARD FUND.

Copy of the original subscription paper drafted in pursuance of action at the Seventh Annual Meeting, April 23 and 24, 1873:

The undersigned Fire Insurance Companies hereby subscribe the sums set opposite their respective names, for the purpose of raising a fund of not less than ONE HUNDRED THOUSAND DOLLARS, for the detection, conviction and punishment of incendiaries; and authorize the Executive

Committee of the National Board to offer rewards of not exceeding ONE THOUSAND DOLLARS each for the conviction of criminals guilty of the crime of arson or incendiarism, such rewards to be offered in each particular case by special authority of the Executive Committee, and to be paid only on due proof being furnished the Executive Committee of the conviction and actual punishment of such criminals.

#### BASIS OF ASSESSMENT.

The following is the basis of assessments adopted by the Board at the Annual Meeting, May 8, 1890 :

1. The net premium receipts of Companies as reported to the State Departments for the calendar year previous to that in which any assessment is made, shall be the basis of future assessments.
2. That assessments of ONE-HALF CENT on each One Hundred Dollars of such premiums be called for as may be required, it being understood that the total of such assessments made in any one year shall not exceed one and a half cents on each one hundred dollars of such premiums.

#### RULES GOVERNING PAYMENTS.

The claimant shall furnish, as a pre-requisite to the consideration of his claim, the following ;

1. A certified copy of the records of the Court in which the case was tried, showing the facts of the trial of the criminal, of his conviction of the crime of incendiarism or arson, and of his final sentence by the Court.
2. Such proof that the conviction was superinduced by the efforts of the claimant, as shall be necessary to establish that fact. (The Certificate of the Judge, Prosecuting Attorney, or Clerk of the Court, to the effect that the conviction was brought about solely by the claimant, and that he alone is entitled to the reward, is generally accepted as satisfying requirement No. 2.)
3. A certificate from the warden or keeper of the prison or penitentiary, certifying to the fact of the actual incarceration of the criminal under the final sentence of the Court.
4. Affidavit of the claimant that to the best of his knowledge and belief there are no other claimants for the reward, and that no other person or persons are entitled to receive the same or any part thereof.
5. If a Local Board is in active operation at the place of the fire, its recommendation as to the payment of any reward is required ; and in considering the claim, such Board shall require to be submitted the above-named evidence, and shall also invite the Prosecuting Attorney who tried the case to sit with them in the hearing of such claim, so as to have the benefit of his information and advice.

The Local Board shall then make a report of its decision and recommendation to the Executive Committee of the National Board for final action in the case.

6. It is to be understood in every case that the Executive Committee of the Board is the sole and final judge as to the right of any claimant or of rival claimants to any reward, and to the said Committee is reserved the right to waive or modify, at its discretion, any of the requirements ; its whole concern being that any reward offered by its authority shall be paid to the person or persons justly entitled to it.

At the meeting of the Executive Committee, held June 18 and 19, 1874, the following resolutions were also adopted :

*Resolved*, That this Committee is not authorized to assume the payment of rewards offered by individuals or companies, unless such offers were confirmed by the authority of the Committee, in the special case in which claim is made.

*Resolved*, That when applications are made for offers of rewards for the conviction of incendiaries, the amount of the reward in each case shall be gauged, at the discretion of the Committee, by the value of the property actually destroyed or endangered by the fire and the amount of insurance thereon, as well as by the other circumstances bearing upon the case.

The following resolution was adopted at a meeting of the Executive Committee, November 5, 1874 :

*Resolved*, That all offers of rewards for the detection, conviction, and punishment of incendiaries made on and after this date, under the National Board resolutions on the subject, be considered withdrawn at the expiration of one year from the date of their issue, and all liability under them shall thereupon cease ; unless for special reasons this Committee deem it advisable to extend the time during which they shall be operative.

At the Annual Meeting of the Board, held May 20, 1886, the following resolution was adopted :

*Resolved*, That no reward offered after this date be paid to any officer or salaried employee of an Insurance Company.

Rewards are not offered in cases where no subscriber to the Fund is interested in the loss.

It was moved and seconded that this report take the usual course and be printed in the minutes.

Carried.

THE PRESIDENT: The next report is that from the Committee on Fire Departments, Fire Patrols and Water Supply, Mr. Bowers, Chairman.



MR. BOWERS said: Mr. President and Gentlemen, I will refrain from reading this report, first, because our time is too limited, and secondly, because to forty-five per cent. of the members of this Board who have followed the work, it would not convey anything new. To those who have not followed us in our labors it would be uninteresting.

The report was presented to the Secretary to be spread upon the minutes, as follows:

#### REPORT OF THE COMMITTEE ON FIRE DEPARTMENTS, FIRE PATROLS AND WATER SUPPLY.

NEW YORK, May 9, 1895.

*Mr. President and Gentlemen:*

Your Committee reported at the last annual meeting of the Board the resignation of Inspector A. C. Hendrick to take effect June 1st. The selection of a suitable successor had careful and prolonged consideration by the Committee. There were several applicants whose qualifications were investigated and trial inspections were made by two of them to test their fitness for the work.

Differing views developed within the Committee as to the grade of talent to be employed. It was held on the one hand by a prominent member that the position should be filled by a trained hydraulic engineer rather than by an ex-Fire Chief. On the other hand, your Committee was limited by the Board to a fixed expenditure both as to salary and expenses. The Committee, through the Chairman, asked instructions from the Executive Committee in session on October 25, 1894, when it was voted that the work be conducted under the present limit of expenditure until the Board itself shall deem it advisable to make a change. Guided by this expression and on the strong recommendation of Philadelphia members, the Committee subsequently engaged, from January 1st to the close of the fiscal year, ex-Chief W. H. Johnson, of Philadelphia. This engagement, under advice of the Executive Committee, has since been extended to June 1, 1895, after which arrangements can be made for a continuance of the work under such instructions as you may give.

It may be of service to the new Committee when appointed to have an expression from the Board at this time, if any change either in the character or expense of the service is deemed desirable.

Owing to the fact that we were without an Inspector for several months only seventeen original inspections and fifteen reinspections have been made during the year. For the same reason, the Treasurer's report shows a balance of \$4,200.31 to the credit of the Fund.

In addition to the reports of inspections, Circular 413 was issued February 5th, giving improvements reported up to that date. Your Committee again invites attention to the importance of Companies following up the recommendations of the Inspector through their agents if action is to be expected on the part of the authorities in the towns visited. Returns in the Secretary's office indicate that perhaps not more than half of the members have regularly done this. Letters from the Chairman of the Committee have in all cases been addressed to the authorities as well as to Local Boards and Fire Chiefs, and while these having generally been well received, they do not generally go with the authority of letters from the Companies to their own representatives, instructing them to use their influence for the accomplishment of needed reforms.

Respectfully submitted,

H. E. BOWERS, *Chairman*.

LINDLAY MURRAY, JR.

JNO. E. McELROY.

F. C. MOORE.

C. C. LITTLE.

THE SECRETARY: I move that the Committee on Fire Departments, etc., continue its work of inspection for the coming year.

Carried unanimously.

THE PRESIDENT: The next Committee is that on Construction of Buildings. There being no report from that Committee, the President called upon the Committee on Statistics and Origin of Fires.

**MR. MULLIKEN :** The hour is so late, and, as some of you are aware that, owing to an accident, I am temporarily somewhat of a cripple, and cannot stand very long, I will not burden you with reading the report. I shall simply state that I approached this work with much trepidation. I was, however, much assisted by the indefatigable gentleman who sits before me—Mr. Affeld—who ably preceded me in the chairmanship.

This will be recognized as one of the most important branches of the work upon which this Board has been engaged, and to be of value the statistics ought to be accurate. The difficulties which have been met are fully stated in the report, which I now hand the Secretary.

[The report was as follows:]

#### REPORT OF THE COMMITTEE ON STATISTICS.

*Mr. President and Gentlemen :*

The Committee on Statistics reports a continuance of the work of collating the fire statistics of cities in the United States having a population of 20,000 and upward. The table accompanying this report shows that 166 places made reports for 1894. Comparison with former years as to the number of places reporting would show : 1890, 50 ; 1891, 73 ; 1892, 127 ; 1893, 160 ; 1894, 166. This indicates that better results have been attained each year, but all of the improvement is not seen from a mere statement of the number of cities making returns. If the tables be studied it will be observed that the information has been fuller with each succeeding report of the Committee. This will be illustrated by selecting the column stating values, which it is conceded are often difficult to ascertain. The improvement in that respect is shown for each year, as follows : In 1890, 15 cities gave values ; 1891, 35 ; 1892, 59 ; 1893, 81 ; 1894, 89. Taking up other points, a like progress could be shown. It will be noticed that the percentages in the four last columns of the tabulation are more complete than in any former year, so that it may be stated that interest appears to have gradually grown in the work and that the results show that the Committee has only asked

what is practicable, and that the information can be had if the Boards can be induced to give the matter careful and continued attention.

The reverse side of the exhibit is that there are still many places which do not answer important questions appearing on the blank, and persistent application on the part of the Committee has failed to secure more than partial returns from many cities. Others have been very defective, while 41 have not reported at all. For 1894 only 31 cities made *full* reports. There is a disposition on the part of Local Boards in some cities to rely on the Fire Departments for the figures, and it is due to the Fire Chiefs to say that a large part of the information in the table has come from them, and the adoption of a resolution by this Board recognizing the value of their assistance is suggested. The Committee deems it proper, however, that, as underwriters, we should look to Local Boards for these and such other statistics as may be desired and, back of the Local Boards, the Companies must be relied on to instruct their agents to interest themselves in the subject, or the efforts of this Committee will fail of success. Perhaps the situation may be understood more correctly by quoting from letters on file in the Secretary's office :

HARTFORD, CONN.

The secretary of the Board tried to have this matter taken up by the Board some two or three years ago and have every agent report to some authorized person the amount of insurance loss. This matter was voted down, and the statistics of the fire department do not cover the ground that the National Board wish.

NEW HAVEN, CONN.

As you are aware, these figures cannot be obtained without the co-operation of all agents, some of whom are either hostile or indifferent.

BRIDGEPORT, CONN.

I find that it is almost impossible to get the agents here interested enough to keep any record, and if they have such a record they don't want to trouble themselves in the least by even giving me the figures.

BOSTON, MASS.

The records of our protective department give all the required information except that asked for under question No. 9. I have talked with the secretary of the department this morning about this question. He states that he has tried again and again to get this information as to values involved, but is so often unable to obtain it, that what information he

does get on this point is of no value. The trouble seems to be that when a loss is small the companies do not as a rule ascertain the values when making the adjustment, which is about the only reliable way of getting them.

PHILADELPHIA, PA.

No action has been taken toward obtaining answers to questions 9 and 10. As explained before, the values cannot be obtained unless the patrol will employ a man for that purpose, and this has not yet been done.

WILLIAMSPORT, PA.

The reason for the agent not giving me any information in regard to fire losses is, that it is private business, and that he has no right to tell me what his losses are or the amount of the insurance paid.

ALBANY, N. Y.

The local Board keeps no statistics or record of fires, depending wholly on report of fire commissioners for such information as they need.

TROY, N. Y.

I am directed by the Troy Board of Underwriters to say that there is no record kept from which we can answer the questions marked on the enclosed sheet, nor have we any funds available for the purpose of obtaining such information. If, however, the National Board are willing to pay the necessary expense to obtain this information we will aid them in every possible way.

ELMIRA, N. Y.

If the special agents would give me an opportunity to obtain from the proofs before they are forwarded the appraisals of the property and the settlement made, it would assist very materially in gathering statistics and I would be willing to keep the record, but how to do it, the way matters are now handled, I am at a loss to know. Even if I should make a personal appraisal of each fire (which is a larger contract than I wish to undertake) it is probable that my estimate would be unlike the one the loss was settled by.

WASHINGTON, D. C.

As to "Fire Statistics," many of our agents have not kept memoranda from which the desired information can be furnished; and it has been suggested that the home companies be requested to send it to them.

BIRMINGHAM, ALA.

I find that some companies object even to their agents giving me the sum of losses paid. I have had the agents (when they themselves do not keep them) write their companies for the total amount of losses for the year 1894, and with very few responses. I can only say I have done my very best for you.

RICHMOND, IND.

I am compelled to report that the data I have is inadequate, and to attempt to furnish statistics from such data would be no statistics at all.

## HOUSTON, TEX.

Our Board keeps no statistics of fires, hence cannot furnish the information you desire.

## DUBUQUE, IA.

We have no local board in Dubuque, and as far as we know there has been no record kept of the fires in this vicinity during 1894.

## PETERSBURG, VA.

Since the S. E. T. A. took possession of this territory, local boards have passed out of existence and little or no attention is paid to statistics, outside of cities which have stamp clerks, of which there are but two in this State.

## ST. JOSEPH, MO.

It seems to be impossible for us to get the Chief to keep a complete record, and the companies will not furnish the data to the agents or to us

## RICHMOND, VA.

It is a subject in which few local agents here seem to take any interest. Our Board cannot give you the number of buildings in Richmond in answer to questions Nos. 3 and 4, nor could I get the information from any department of the city government.

## WICHITA, KAS.

We have no city ordinance compelling the Fire Department to keep any record of the important points in the required statistics, and the Chief complains that even the insurance companies don't try to help him in getting these facts. If the insurance companies would require their agents to furnish him these facts after each loss, it would help him much.

## WILMINGTON, DEL.

This matter has frequently been brought to the attention of the "Compact Commission," and there have never been any steps taken to secure the desired information, claiming we had no authority to enforce the report and a partial report might be misleading. The endeavor will be made to procure the information for future years.

## COLUMBUS, GA.

On account of some agents not keeping their own records of fire losses, it will be necessary for them to obtain same from their companies.

Other quotations might have been added if deemed necessary. Your Committee asks the Board,

First, to determine whether it favors a continuation of the work; and

Secondly, if so, the adoption of the following resolution is recommended:

*Resolved*, That on request of the Committee on Statistics, we will instruct our agents in all cities of 20,000 population

to use their influence in their respective Local Boards to procure the statistics asked for by the Committee's blank, and in case of there being no Local Board in any such city, that the agents call a meeting among themselves and take such steps as may be necessary to insure answers being made to all questions in the blank at the close of the year.

#### THE ANALYSIS CLASSIFICATION.

At a meeting of the Executive Committee, held October 25, 1894, a proposed classification was adopted to be known as the National Board Analysis Classification, with blanks and instructions designed for use by Local Boards, and the work involved was placed in the hands of your Committee.

The classification was issued by the Secretary by Circular 462. It was sent to all Local Board Secretaries, Inspectors and Stamp Clerks of which the office had record, 1,545 in number. Up to the writing of this report, only 93 acknowledgments of the book of instructions and blanks had been received. The Boards were asked to keep the record for 1895 and report at the close of the year. Beyond the letters received, your Committee has no means of knowing to what extent the matter is receiving attention. Excerpts from some of the answers are here transcribed as showing the obstacles likely to be met in getting returns :

#### NEW BEDFORD, MASS.

While this Board is desirous of giving you all assistance in its power, it does not feel at liberty to request any one to give the time and labor necessary for the collection of these statistics, unless some arrangement can be made whereby he may be suitably remunerated for the same.

#### ABINGTON, MASS.

The secretary of this Board receives no compensation for his services, and does not feel that the glory of the office is worth the trouble which you would have him undertake.

#### RUTLAND, VERMONT.

I would, as far as this city goes, willingly assist you in this matter, but when it comes to the territory that is under my jurisdiction, am afraid it would be out of the question without being put to considerable expense.

#### LITCHFIELD, ILL.

I do not feel that I can afford to give the time it would necessarily take to make the reports as complete and accurate as they should be. If

this would be worth \$10 to the Board I will give it careful attention; otherwise I will ask to be excused.

LUVERNE, MINN.

There are no funds in the treasury of the local Board and no provision is made for the Secretary to receive any pay for his services, and I can hardly afford to do the work required without pay for the same.

IRONTON, OHIO.

If the insurance agents here will be authorized to pay the cost *pro rata* for the various companies they represent, I will be ready to go to work at once.

WINCHESTER, KY.

Inasmuch as my position as Secretary of the Local Board is one to which there is no compensation attached, and this work would involve a considerable amount of labor and responsibility, unless there is some source from which I can be paid, I will have to decline.

NEW CASTLE, IND.

Would be willing, if authorized to do so, to see all the agents in the county and arrange with them to furnish the necessary data to enable me to make the report complete for our county, if the companies are willing to pay the expenses.

HANNIBAL, MO.

Even if I were Secretary it would be impossible for me to give you the statement. You can obtain that from the companies doing business here. When I was Secretary I could not keep record of all the losses—it is really an impossibility for a man to keep record of fires without pay.

CAMBRIDGEPORT, MASS.

We have no way of filling out the blanks as you request. Shall I return them to you?

NEWBURYPORT, MASS.

I note your request for information relative to the fire losses in our territory, and I would ask if this is expected to be furnished gratuitously by our Board? We keep no record of losses in our office, and any data desired would have to be obtained direct from the different insurance agencies in our district.

PLATTSBURGH, N. Y.

I hardly feel qualified to undertake the service asked for, and added to this my time is limited to such an extent I cannot give it the attention it should receive.

MEDINA, N. Y.

To get reports of losses in this county and in small places at a distance is not always very easy, unless one takes the trouble to go, and that cannot be done unless some expense is attached. No record has been kept by the Orleans County Board of former years, and to do so now would require some one in Albion and also in Holley to keep the record and report to me.



ONEONTA, N. Y.

I shall not be able to make the report as requested, unless there shall be an order issued to agents by the State Board to send the statistics to my office!

RONDOUT, N. Y.

I appreciate the importance of the National Board's request, and will do all in my power to help furnish an accurate report, but I cannot demand the desired information from other agents or their companies. You can readily understand that if one agent is indifferent, and will not comply with my request (as has been my experience), all the work done is of no avail.

BEAVER FALLS, PA.

An impossibility on my part, as my duties as stamp clerk now are so arduous—so much having been added since I assumed them.

CANTON, PA.

I can only give the information as to my own agency, unless the other members of our Board will consent to give me this information as to their losses. Whether Western Bradford comprises the towns of Canton and Troy, and the business at Troy, which is about ten miles from here, I have no knowledge of whatever.

CHAMBERSBURGH, PA.

As far as Chambersburgh and vicinity are concerned, I do not think there will be any trouble, but the losses (when insured) sustained in other parts of the county would have to be reported to me by the agents or the adjusters.

MEADVILLE, PA.

I would have to depend solely upon agents for this information, some of whom live in surrounding towns, and months at a time pass without my seeing them. I would suggest that if you have any blank forms for filling in the information necessary to enable me to make out my report properly, I will gladly supply agents with them, and request that they give the information desired. You understand that my records will be of no assistance to me for the work, but I should have to rely entirely upon information furnished me by agents.

NORFOLK, VA.

I regret that I cannot furnish you with the information asked for, as only two of the agents here keep a record of these losses. This leaves about four-fifths of the fires unaccounted for. The record kept by the city is far too incomplete to be of any use in answering questions on your blank. If you can suggest a way by which a record can be obtained, or if the incomplete list obtainable can be used, I shall be glad to be of service.

OSHKOSH, WIS.

In the towns and cities where an Inspection Bureau has jurisdiction the Local Board organizations have not been very thoroughly kept up; however, even when they were I do not understand they could furnish reports such as are wanted for your classification sheets.

## EAU CLAIRE, WIS.

I will do my utmost to get the different agents interested in the matter, and if they can be enthused I may succeed, but I have never yet been able to get the reports of each fire. I fear that it will be a difficult thing to get the agents to keep a record of the fires in their agencies.

## GRAND RAPIDS, MICH.

I have tried for a great many years to get for the use of this office reliable information relating to losses occurring in my own district (Third Michigan) and have found it impossible to do so. On the contrary, it seems as though, whenever a loss occurred, the local agent, the special, the adjuster and the companies interested—each and all made an effort to keep as quiet as possible about the matter, and conceal as much information as they can in regard to either the character, origin, or amount of the loss.

## NEGAUNEE, MICH.

Our position in this State is advisory only, and agents will not report matters of this kind to our office, because they don't have to. It is impossible in the imperfect way in which we are required by law to do business, to furnish the statistics you ask for.

## SAGINAW, MICH.

There are 107 rated cities and towns in my territory. It would be impossible for me to collect the desired information with my present force.

These extracts may be accepted as a fair indication of the difficulties to be encountered in the work. Summarized those difficulties would appear to be:

1. A disinclination to undertake the work without compensation.
2. The fact that many Local Boards have not kept up their organizations under the systems of rating adopted in the different parts of the country.
3. The inability of the Inspectors and Stamp Clerks—having often a large number of places under their charge—to make the returns unless the agents of the several places would report to them the facts after each fire. (It is to be remembered also that Inspectors and Stamp Clerks are employed by other associations, and that their time is often fully occupied with their regular duties.)

Your Committee, therefore, is at a loss to decide what means should be employed to secure the information. Compensation to those procuring it seems to be out of the question. The only other action at all practicable would appear to be

positive instructions from companies to their agents in places, say, of 5,000 population and upward to confer together for that purpose. To test the wishes of the Board in the matter, your Committee submits the following resolution:

*Resolved*, That for the purpose of securing returns to the National Board Analysis Classification, and for such other purposes as may be deemed desirable, the members of the Board agree to instruct their representatives in places having a population of 5,000 and upward to retain the Board organization, and where such organizations do not exist to appoint some one of their number to collate the information and report to this Board at the close of the year on the blanks furnished.

Without some action on the part of the Companies, your Committee expresses the fear that the report to the next annual meeting will be very meagre so far as the Analysis Classification is concerned. As the expense of the classification has already been large, it is to be regretted if the outlay is to be without result.

Respectfully submitted,

J. R. MULLIKIN, Newark, Chairman.

E. G. RICHARDS, Hartford.

CHAS. R. PECK, Philadelphia.

GEO. W. BABB, JR., New York.

E. HARBERS, New York.

The following tables accompanied the Committee's report.

==

;

;

;

;

;

;

;

;

;

;

;

;

;

;

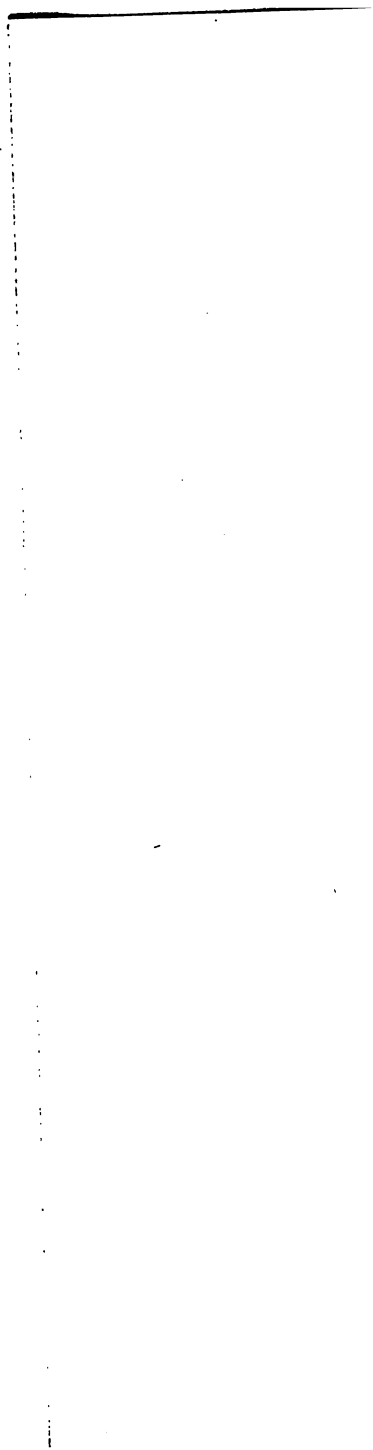
;

;

;

;

;



PAGE.

Id.

1

mas.

1

2

3

4

5

6

7

8

9

0

1

2

3

4

5

6

7

8

9

0

1

ich.

1

2

3

4

5

6

inn.

1

2

3

4

5

6

7

ont.

1

2

3

4

5

6

7

8

9

0

1

2

3

4

5

6

7

8

9

0

1

2

3

4

5

6

7

8

9

0

1

2

3

4

5

6

7

8

9

0



PL  
PLACE.

North Car  
1 Wilm. C.  
Ohio. 1  
1 Akron, Ohio.  
2 Canto  
3 Cinch  
4 Cleve  
5 Colum  
6 Dayto  
7 Spring  
8 Toled  
9 Young  
10 Zanes  
Oregon. 9  
1 Portla  
Pennsylv  
1 Allegh  
2 Allent  
3 Altoon  
4 Cheste  
5 Erie  
6 Harris  
7 Johnst  
8 Lancas  
9 McKes  
10 Norrist  
11 Philad  
12 Pittsbur  
13 Reading  
14 Scrant  
15 Wilkes  
16 William  
17 York.  
Rhode Isl  
1 Centra  
2 Newport, I.  
3 Pawtuc  
4 Provid  
5 Woonst  
South Car  
1 Charle  
Tennessee  
1 Chattan  
2 Knoxv  
3 Memph  
4 Nashvil  
Texas.  
1 D. Has  
2 Fort W  
3 Galvest  
4 Housto  
5 San Ant  
Utah.  
1 Ogden  
2 Salt La  
Vermont  
1 Burling  
Virginia.  
1 Lynchb  
2 Norfolk  
3 Petersb  
4 Richmo  
5 Roanok  
Washington  
1 Seattle, sh.  
2 Spokan  
3 Tacoma  
West Virg  
1 Wheeling, Va.  
Wisconsin  
1 Eau Cla  
2 La Cros  
3 Milwau  
4 Oshkosh  
5 Racine  
6 Sheboyg

NOTE.





**MR. MULLIKIN**, continuing: There are several recommendations which this Committee desires to make, and which are presented in the report in the form of resolutions.

The speaker then read the first resolution proposed by the Committee as follows:

*Resolved*, That on request of the Committee on Statistics, we will instruct our agents in all cities of 20,000 population to use their influence in their respective Local Boards to procure the statistics asked for by the Committee's blank, and in case of there being no Local Board in any such city, that the agents call a meeting among themselves and take such steps as may be necessary to insure answers being made to all questions in the blank at the close of the year.

**THE PRESIDENT**: Gentlemen, you have heard the report of the Committee, and it will be printed in the proceedings of the meeting unless there be some objection.

It was so ordered.

**MR. AFFELD**: Mr. President and Gentlemen, I move the adoption of the first resolution read by the Secretary. I would like to call the attention of the members of this Board to the fact that this is information that they can have without cost. It is information that, as Underwriters and citizens, we are entitled to from every city of our country, and we have a right to ask it from the chiefs of the various fire departments, and I believe that with proper representation by the Underwriters of any community no official department would refuse to give it. There is nothing sought to be obtained but what is a matter of public notoriety. That being the fact, any newspaper could gather all the facts that the blank requires. A record of the destruction by fire is something which we should have and absolutely must have for purposes of good government, and besides it is impossible for us to make equitable rates in any place where we cannot ascertain it. In that blank we ask the assistance of the Underwriters only so far as the insurance involved is concerned and the insurance loss; but even if we do not get the insurance involved and the insurance loss the Underwriters ought to see to it that the record of destruction is complete, no matter how much they withhold their own loss record, if they choose to consider it

private. It is the extent of the destruction that we ought to know. This is a matter of notoriety given in every newspaper at the time of every fire, and all that is required is that it should be collated systematically and reported uniformly. The Committee has followed the work for five years now, as you will see by the record, increasing the number of places reported on from fifty to one hundred and sixty odd. I think there will be no difficulty in getting that information, if the Underwriters interest themselves in doing so, and will instruct their agents throughout the country on the subject.

It is different with the second classification, on which subject I shall have something to say when that motion comes up.

The adoption of the first resolution having been duly seconded it was unanimously carried.

MR. MULLIKIN: The other recommendation of the Committee is as follows, in reference to the analysis classification adopted by the Executive Committee:

*Resolved*, That for the purpose of securing returns to the National Board Analysis Classification, and for such other purposes as may be deemed desirable, the members of the Board agree to instruct their representatives, in places having a population of 5,000 and upward, to retain their Board organizations, and where such organizations do not exist, to appoint some one of their number to collate the information and report to this Board at the close of the year on the blanks furnished.

MR. MULLIKIN, Chairman of the Committee on Statistics (continuing): Mr. President, I think no extended remarks are necessary in respect to this resolution. The classification has been prepared under the direction of the Executive Committee, and was sent to all the Companies members of the Board, and, in addition to some fifteen hundred Local Boards, but very meagre returns have been received, as mentioned in the report. The classification is very voluminous, and perhaps the gentlemen who received it were frightened at its size and did not take any steps to examine it carefully, to scrutinize it and to ascertain its value. It is for this Board to say whether the money already spent upon this work shall be thrown away or whether we shall proceed with the procuring of reports, but they cannot be procured unless the Board interests

itself and the various members send specific instructions to their agents to give us the desired information.

**MR. AFFELD:** Mr. President and Gentlemen, as far as I have looked into this matter of classification I am satisfied that my own Company could not follow such a voluminous classification. I think that returns, or answers, from all the different Companies show that they were equally indifferent to the classification, or that they felt about it as we do—that it is too great a labor to enter into such a detailed classification. If I am to be permitted to express the result of my experience when Chairman of the Committee in getting statistics or classifications of any kind, even under a much more limited classification than the one now proposed, I must say that they were the most lamentable experiments, and that they were such complete failures that the Committee was ashamed to report its efforts to the Board. I am satisfied that the Board is not prepared to go into such an elaborate classification as has been laid out, and it would be a saving of time and money not to spend any more on it. I think a classification that can be confined to a dozen classes would be practicable, perhaps twenty classes, but I do not believe in a classification of two thousand, and I think most of the gentlemen will agree with me in that; so for this reason I shall vote against the resolution.

**MR. WASHBURN:** The sentiment of the Companies on this subject manifests itself in such a feeling of opposition or indifference that it is useless to undertake to pass such a resolution as is proposed. If passed, and it will be passed probably if pressed, it will be inoperative. The Companies will not act on it, and I think it would be much wiser to suspend the effort altogether. I do not believe you can adopt even a simple classification and get the Companies to unite on it, and much more is it impossible to get the work done where such an elaborate classification is proposed as the one suggested. I would therefore suggest that the recommendation of the Committee be either withdrawn or that we do not vote upon it to-day.

The Chairman of the Committee then stated that the object of the Committee had been obtained by the limited discussion

which had taken place. "The Committee desired to 'test' the feeling of the Board; we have tested it, and I am instructed to withdraw that resolution."

THE SECRETARY: I would like to ask the gentleman how he knows that he has tested the feelings of the Board when only two gentlemen have spoken to the resolution?

THE CHAIRMAN OF THE COMMITTEE: I waited to see if any other gentleman desired to speak upon the motion, and finding that none so desired I deemed that those who had spoken expressed the feelings of the Board.

MR. BABB: I should like to have the matter deferred to the afternoon session, and, if agreeable to the Board, I would make a motion to that effect.

MR. DUDLEY: Mr. President, why not act upon the classification at once? The afternoon session may be very scantily attended, and now, while we have a good attendance, why not proceed? Speaking for myself and the Company I represent, I may say that I regard the proposed classification as impracticable. I hope the Board will discuss the subject at once, so that the Committee may have the benefit of your views, and, if necessary, receive your instructions as to its future course. So far as the Aetna is interested, I emphatically say, we should never be willing to put our classification in any manner in the hands of any Committee of the National Board. The information derived from such source is entirely individual, and is strictly private property; certainly we so look upon it, and we should be positively unwilling, whatever vote the Board may take, in any manner to recede from this position.

It was moved and seconded that the resolution be laid upon the table. On being put to vote the President declared the motion carried.

On motion the Secretary was then directed not to press efforts to secure returns to the proposed classification for the coming year.

THE PRESIDENT: The next Committee to hear from is that upon the Form of Policies.

The report was read by the Secretary in the absence of Mr. P. C. Royce, Chairman, as follows :

## REPORT OF THE COMMITTEE ON FORM OF POLICY.

NEW YORK, May 9, 1895.

*Mr. President and Gentlemen :*

The members of the Committee on Form of Policy are too widely scattered to permit even an occasional meeting. Nothing would have pleased the Chairman more than to have visited San Francisco for the purpose of conferring with the member of this Committee residing there, but other duties made it impossible. During the past year no suggestions have reached the Committee that any modification of the present Standard Form of Policy was desired on the part of the Underwriters. Following the policy of the Companies as heretofore expressed in the meetings of this Board, we have not suggested the adoption of a Standard Form of Policy in any State. It has been the aim of the Companies only to influence proposed legislation of this kind to the end that the Standard Form, if any, might be adopted.

You will have noted the decision of the Supreme Court of Pennsylvania, declaring invalid the Standard Policy in that State. This decision was based on the method by which this policy was adopted. If the form itself had been submitted to the Legislature, and by it adopted, no question would have arisen as to its legality. The Legislature, however, delegated to others the formulating of a Standard Form which should then become the Standard of the State and a part of Statute Law. The Supreme Court decides that this was beyond the province of the Legislature, and it is incompetent to delegate its legislative duties. This decision in Pennsylvania leaves policies now in use in that State in the same condition as in the States where no Standard Form has been adopted. In other States where policies have been prepared by a com-

mission, to become law on approval of the Insurance Commissioner, it is probable that a contest would bring like decisions.

Early in the year it seemed probable that some of the Pacific Coast States might deem it their duty to prescribe for the insurance companies a Standard Form of Policy. In anticipation of such efforts, we placed in the hands of influential gentlemen on the coast information regarding the methods by which laws relating to Standard Forms of Policy in various Eastern States had been adopted, thus enabling them to act intelligently should necessity arise.

In endeavoring to secure the repeal of some obnoxious laws in the State of Maine, it was thought best by those in charge of the undertaking that no opposition be offered to the adoption by that State of the Massachusetts Form of Policy instead of the Standard Form. It was believed that by opposing the Massachusetts Form and advocating the Standard Form the repeal of obnoxious legislation might be endangered. The Massachusetts Form was, therefore, adopted by the Legislature of that State without opposition on the part of the Underwriters. The State of Minnesota, we are advised, has adopted a Standard Policy for that State, which, from the best information now at hand, is exceedingly objectionable. This law, known as the Wyman Bill, was fought at every stage of its progress through the Legislature by the Underwriters. The Committee on Legislation will probably be in possession of fuller particulars than have reached this Committee, and will doubtless include in their report all needed information. The State of Wisconsin has adopted a Standard Form of Policy which, in objectionable features, surpasses anything before adopted by any other State. From line No. 1, which reads, "Except when otherwise provided by statute, this company shall not be liable beyond actual cash value of property at the time any loss or damage occurs," etc., to the last line, which attempts to make any and all knowledge on the part of an agent, no matter how obtained, knowledge of the Company, the Form is crowded with objectionable clauses and serious omissions. As all of you will be obliged to study carefully this Form, it is unnecessary to recapitulate the

changes and omissions from the Standard Form. The Committee on Legislation will probably advise you fully of the fight made by the Underwriters to defeat this iniquitous measure, but without success. It only remains for the Companies to devise means by which business may be done under this form of contract or to withdraw from the State. If States are to prescribe our forms of policies, no argument is needed to show the desirability of having a uniform policy in all States. At one time it was hoped that much might be done to bring about this result through the Insurance Departments of the various States. Unfortunately, it appears to be true that as soon as the Insurance Commissioner has been long enough in office to learn something of his duties, and to be in position to make recommendations of value to the State, he then ceases to have influence with the legislators. Any suggestion which such a superintendent may make seems to the average member of the Legislature as clear evidence that the Commissioner has become the servant of these iniquitous corporations. We see, therefore, no practical way in which the desired uniformity in policy forms can be brought about; but we believe the position heretofore taken by this Board is the correct one and should be maintained in the future, namely, that it should be our endeavor, whenever it is proposed by any State to adopt a Standard Form of Policy, to use our influence to have adopted the same form as is now made obligatory in the State of New York and in various other States.

This report is submitted by the Chairman of this Committee without reference to the other members, as he has had no time in which to confer with them, and the defects and omissions of the report are, therefore, justly and fairly chargeable to the Chairman.

Respectfully submitted,

P. C. ROYCE,  
*Chairman.*

On motion the report was received and ordered printed in full in the proceedings.



On the call of the President, Mr. Washburn, Chairman, then read the report of the Committee on Lighting, etc., as follows :

# REPORT OF THE COMMITTEE ON LIGHTING, HEATING AND PATENTS.

NEW YORK, May 9, 1895.

*Mr. President and Gentlemen :*

The past year has been one of rapid development in the use of electricity for lighting, power and heating, and of corresponding progress in our knowledge of its force and its dangers. There is yet much to learn in regard to both these points, and yet we may feel gratified at what has been accomplished during the past year. So far as Underwriters are concerned, we feel that the greatest step forward has been in securing a uniformity of practice and rules for regulating the use of electricity. At the present time every prominent Association or Board of Underwriters throughout the country is under agreement to maintain uniform rules and standards. It is to be hoped that this condition of things will be continued, and that no one of the Associations will do anything contrary to the agreement now existing; thus doing away with the complaint of electricians that what was perfectly in accord with the Board Rules at one place was a violation of the Board Rules across the State line or only a few miles away.

Of course, frequent changes in rules are necessary in consequence of the rapid developments in the use of electrical current for various purposes, and so there must be sufficient flexibility in the rules to enable Underwriters to meet the necessities of the case from time to time. In order to accomplish this, it is desirable that the National Board (under whose authority it is agreed that all rules should be promulgated) should authorize its committee to be represented at the meetings of the Electrical Association with authority to promulgate, under the sanction of the National Board, any rules which may be agreed upon with the consent of your representative at the meeting of such Association.

There are three Local Associations to whom the Underwriters of the country are greatly indebted for experiments with electrical apparatus, testing various suggested improvements, and developing faults in existing plants. These are the Underwriters' Electrical Bureau at Chicago, the New York Board of Fire Underwriters and the New England Exchange, and it is fitting that we should at this time acknowledge our indebtedness to each of these Associations, the results of whose experiments have been exceedingly valuable to all those interested in the safety of electrical work.

Your Committee have no new suggestions to make in regard to regulations as to explosive and combustible materials, the use of natural gas and of gasoline engines and of patents; these points have been covered up to date by preceding reports.

Trusting that the National Board will deem it wise to give this Committee the authority to act in behalf of the Board as suggested, this report is respectfully submitted.

JOHN H. WASHBURN, New York,  
*Chairman.*

W. H. CROLIUS, New York.

A. D. IRVING, New York.

JAS. NICHOLS, Hartford.

R. DALE BENSON, Philadelphia.

THE SECRETARY: I wish to make one suggestion in reference to the report just read. The Chicago Board may have done excellent work, but I desire to say for the City of Philadelphia that we have had considerable and important special work done in this very direction; we called in all the newspaper men and as many citizens as desired to attend, and have given them practical demonstrations on the common dangers of electricity, especially from imperfect wiring, and I think the Board in Philadelphia is as much entitled to be mentioned in that report as the New York Board or the Chicago Board.

MR. WASHBURN: The Committee have had no desire to ignore the work of any other Board, but the three that are

referred to are the three whose work has been of especial service to this Committee and to whom the Committee felt respectively and individually indebted. Therefore, they only enumerated the three to whom they felt especially indebted for services rendered, with no desire to minimize the work of the other Associations.

**THE SECRETARY:** I move that the report as presented be adopted, and that this resolution shall carry with it all the recommendations contained in the report.

The motion of the Secretary was adopted.

**MR. WASHBURN:** I have received a letter from the Underwriters' Electrical Bureau at Chicago, which may appear in the minutes.

157 LA SALLE STREET, CHICAGO, April 23d, 1895.

J. H. WASHBURN, Chairman Committee on Lighting,  
National Board of Fire Underwriters,  
156 Broadway, New York, N. Y.

*Dear Sir:* Supplementary to the communication you have from C. E. Bliven, Chairman, I take the liberty of writing you again this year on the need of the subject of electrical fire hazards receiving constant attention through the National Board. The success which has attended your promulgation of a uniform code of wiring rules will, I trust, influence you to again carefully consider this subject at this time.

The publication of laboratory reports, illustrated pamphlets and reports of electric fires by this Bureau has demonstrated that thorough and competent National supervision of the subject does produce valuable results. The only thing the work has lacked has been the promulgation of the results by an authoritative National body. The potency of the name of the National Board would have done much to have advanced the consideration which the reports have received, similarly as it has advanced the adoption and promulgation of the rules.

It would be a comparatively easy and inexpensive matter for the National Board to assume the general direction of our

work, and I trust that the many advantages which would certainly accrue to the insurance interests by such action on your part will lead you to carefully consider the wisdom of making such a recommendation in your forthcoming report.

I am influenced in writing you to this effect by those of your members who have followed our work closely and done me the honor of unreservedly endorsing the results obtained.

Very respectfully yours,

WILLIAM H. MERRILL, JR.,  
Electrician.

MR. WASHBURN continuing:

The matter has been before your Executive Committee and that Committee is willing to expend five hundred dollars if done under the direction of this Committee, and it was suggested that the work which has been done at Chicago, and which has been published, combining as it does work furnished from here and from Boston, be published under the direction of the Committee and may be issued as a publication of the National Board of Fire Underwriters. I make that recommendation, and I do it without any delicacy or hesitation, because this is the last time I expect to appear on this floor as Chairman of that Committee. It seems to me eminently desirable that these reports, which are full of value and instruction, should go out, not as the work of any local bureau, but as the work of the National Board, published under its auspices, and I move that the Committee take the Committee under its charge and publish it under their direction.

Motion carried.

Referring to the report of the Committee on Form of Policies, Secretary Beath said: In connection with the very important matter brought to our attention in that report in regard to the law lately passed in Wisconsin, I would say that this law took effect immediately upon its passage. Therefore, any policies issued since then are invalid in the State of Wisconsin. I will read a letter from Mr. C. E. Porter, Secretary of the Spring Garden Company of Philadelphia, on this subject:

SPRING GARDEN INSURANCE COMPANY,  
431 WALNUT STREET.

PHILADELPHIA, May 7, 1895.

DEAR SIR: We are in receipt, from the Insurance Commissioner of Wisconsin, of a copy of the laws relating to "Fire Insurance as adopted by the Legislature, Session of 1895," and a copy of the new standard fire insurance policy of the State of Wisconsin.

Section 4th provides "That a Company issuing any other policies in the State," etc., "shall be guilty of misdemeanor," etc., from which we presume that the policies issued by the Companies, say, to-day, are in violation of the law, though we presume other Companies, like ourselves, received no notice of the law until to-day.

The principal objections, as we see them, to the new policy are the unlimited powers given to the local agent, and the provisions regarding the appraisement of losses.

It is unlikely that a representative from this Company will be present at the annual meeting on the 9th, but we should like very much to have this matter brought up at that time, and presume no doubt it will be. Kindly advise us what action, if any, is taken by your Committee on Legislation, and if the Companies as a whole intend taking any steps in the matter.

Awaiting the favor of early advices from you,

Very truly yours,

CLARENCE E. PORTER, Secretary.

MR. BEDDALL: As I understand it, there is a fine for the first offence of one hundred dollars, then two hundred dollars and not exceeding two hundred and fifty dollars for all subsequent offences and also expulsion from the State. That law, as I am informed, went into operation on Saturday last, and consequently there can hardly be a Company doing business in the State of Wisconsin but what is already liable for a considerable sum of

money as well as expulsion from the State, if any citizen should care to bring the violation of the law to the attention of the authorities. I have just returned from the West and I understand that an effort was made to get the Superintendent of Insurance to defer the application of this law for a month or two in order to enable the Companies to prepare the necessary form of policy. He promised to take the request into consideration, but a reply was received from him on Monday last, stating that he was powerless to act, that the law was mandatory, and that he could do nothing looking to a delay in that direction. The situation is therefore serious, and I believe some of the managers of the Western companies have taken up the matter and will do what they can, but I take this opportunity to call the attention of the Companies to the seriousness of the situation in continuing to issue policies in contravention of the law with the provisions contained in that law with regard to the fines.

THE PRESIDENT: What is the sense of the meeting with reference to a recess?

It was the opinion of the meeting that the Board should proceed.

THE PRESIDENT: The next Committee in order is the Committee on Adjustments.

MR. HARE: The Committee is not prepared to report, owing to the fact that I have been absent and the members of the Committee have been unable to agree upon a report. I would ask that the matter be laid over.

THE PRESIDENT: The next Committee is that on Membership, Mr. Charles Sewell, Chairman.

The Secretary read the report of the Membership Committee, as follows:

## REPORT OF THE COMMITTEE ON MEMBERSHIP.

NEW YORK, May 9, 1895.

Your Committee reports a present membership of eighty-two companies. A roll of members will be found upon the Secretary's desk, and will be published in the proceedings, so that the list need not be here repeated. In accordance with a vote at the last annual meeting, the proceedings of that meeting were duly sent to all Stock Fire Insurance Companies in the United States, accompanied by a circular, No. 451, dated May 25, 1894, and signed by the officers of the Board. That circular set forth the advantages of membership, and invited the co-operation of Companies generally in the work as now conducted.

The assets of Companies, members of the Board December 31, 1894, amounted to \$190,000,000. Their premium receipts in 1894 were \$104,856,978. The premium receipts of the 238 Companies, whose experience is given in the tables presented in the President's address for 1894, amounted to \$128,443,048, from which it will be seen that the receipts from that source of the Board Companies alone were over 81 per cent. of the whole.

Your Committee, desiring that the list of members should include as many of the conservative Companies doing business in the country as may be inclined to join the organization, will continue its efforts in that direction. There are some groups of local Stock Fire Insurance Companies in other cities that are not represented in the organization. Inasmuch as the matters to which the Board now addresses itself are not confined to any particular field, the co-operation of all Companies is desirable, and is cordially invited. The aid of purely local Companies may often be specially welcome, as, for instance, in treating of questions of legislation in States where the influence of such Companies is likely to be important, and, taking a broad view, should be exerted for the benefit of all.

Your Committee can only suggest that a copy of the President's address at this meeting, together with the reports submitted, be sent to selected Companies not now members, and that they again be invited to unite with us on subjects of common interest and concern.

Respectfully submitted,

CHARLES SEWALL,

Chairman.

It was regularly moved and seconded that the report of the Committee on Membership be received and placed on file.

THE PRESIDENT: The next report in order is that of Mr. Affeld, as Delegate to the Convention of National Fire Engineers.

Mr. Affeld read his report, as follows:

*To the National Board of Underwriters:*

GENTLEMEN:—As delegate to the Convention of the National Association of Fire Engineers held at Montreal, Canada, August 14 to 17, 1894, I have to report, that the meeting was unusually well attended, and many well-prepared papers were read.

The papers on "Transmission of Electric Energy," on the "Analysis of Electrolized Water Pipes of Omaha," on "The Progress of Electricity in Municipalities," deserve particular attention, as being in the line of our own investigations and because they unite in illustrating the very great dangers to which our interests are daily exposed by defective insulations, insufficient conductors, careless workmanship and absence of proper conduits, all of which expose a vast amount of underground piping (both gas and water) to more rapid destruction from electrolic action. These papers will be found entire in the published proceedings of that Convention.

Other papers in which we are particularly interested and which will repay perusal, are: "How Can Fire Departments be Removed from Partisan Politics?" "The Duty of Cities to Provide Water Gauges at Fire Stations"; "The Use of Carbonic Acid Gas for Fire-Extinguishing Purposes"; "The



Service and Economy of Fire Patrols or Salvage Corps in Small Cities"; also, the papers and remarks that were brought out on the topic, "Should Not the Size of our Hose, Nozzles, Hydrants and Engines be Increased?"

The accompanying paper on "Reliable Statistics the Basis of Efficient and Economical Fire Protection and Good Government" was listened to with marked attention and was well received. The paper was as follows :

*Mr. President and Gentlemen:*

It is a source of real pleasure again to have the privilege of attending your annual convention and extending to you the best wishes of the National Board of Fire Underwriters for a very successful meeting, and I embrace this opportunity to express the sincere thanks of the Board for the valuable assistance rendered by your members in furnishing the data published by the Committee on Statistics in their last report.

For the information of such members as may not have seen the report, nor be aware of the object of the said Committee's work, I will state briefly that it is to obtain uniform statistics regarding the number, extent, amount of destruction and cause of fires in the larger cities of the United States with a view of joining you in efforts to reduce their frequency and destructiveness.

It may appear to you that the compilation of such data is a very simple matter, but the following extract from the Committee's last report will show you that it is anything but simple :

"The result of our work this year as compared to previous years is best shown by the following statement :

	Number of Reports received.	Number giving full details.	Number giving full details except values involved.
1890.....	50	5	17
1891.....	73	5	34
1892.....	127	23	60
1893.....	160	37	89

"We take pleasure in acknowledging our great indebtedness to the hearty co-operation of many of the Fire Department Chiefs, through whose assistance we have been able to get many of our figures. Although this gratifying result establishes beyond a question that the information desired can, *with* your powerful and hearty co-operation, be readily obtained, we would not for a moment have you believe that it will be forthcoming without the *active assistance* of each member of this Association, nor would we have you believe that the information received and furnished you is as nearly complete and correct as can reasonably be

expected. For instance, where a city reports less alarms than fires, we have had to substitute the number of fires, and where a report does not include the number of fires confined to floor in the number confined to building, the percentage of fires confined to building will be remarkably low without its being in the power of this Committee to correct such defects until our next report. This has special reference to the towns showing the percentage of fires confined to buildings to be less than 75 per cent. Also, where the actual loss coincides exactly with the insurance loss, we are obliged to believe that fires only occur where there is full insurance, and that none but the insurance companies suffer any loss. So, too, where the actual loss is not stated, but only the insurance loss, the latter will have to answer for the former, and *vice versa*, in the calculation of amount of loss per capita. Where fire patrol reports omit to report any loss where no insurance was involved and where the report of the insurance loss alone without any reference to actual loss is given, it must be evident that, for our purpose, or as a basis for rating, such statistics had better be discarded. \* \* \* *It must be evident to us all that no more valuable information can be given than the amount of uninsured property which the fire records develop.* It is very much to be regretted that many of these reports arrived so late that comparison with the returns of last year and comparison of one place with another are out of the question for want of time to study the details, but as next year will give a five years' record, and as we confidently expect that the members of the Board will now recognize the valuable information which lies at our very doors and may be had without appreciable expense for the mere recording and classifying, your Committee have no doubt that next year a very valuable table can be prepared, showing the comparative amount of destruction between the different cities in the course of a term of five years. The information sought by your Committee is absolutely needed for good municipal government, and is such as every citizen has a right to expect from its municipal authorities, which every well-governed city should have, and which the Underwriters, if they choose, may have for the asking, if they will only *unite* in presenting their requests to the local authorities through their local boards. Especially is it in our power and our duty to see to it that organizations of our *own creation*, such as salvage corps and local boards, furnish us full, complete and reliable information, if any at all."

It may be asked, as indeed it was asked by a high official in one of our larger cities, what good is the information you desire for the prevention or putting out of fires. I answer for the putting out of fires, very little; for the prevention of fires it is invaluable.

In order to estimate the force and apparatus required for protection of a city, the population, area and construction must be known. (See inquiries 2 to 5 inc. of blank printed for reference on last page.)

In order to judge of the efficiency of your alarm system, you should be able to compare the number of alarms with the actual fires. (See queries 5 and 6.)

In order to be able to make effective recommendations for the prevention of excessive loss of property, you ought to be able to show what class of buildings has the most serious fires and produces the most serious losses. (See queries 7, 8 and 10.)

In order to distribute properly your force and apparatus to the best advantage, the number of wooden structures or brick structures is material. (See questions 6, 7 and 8.)

In order to take effective steps to prevent excessive losses of life and property, the losses in brick buildings as compared with wooden construction and the losses by exposure become important. (See interrogations 6, 7, 8 and 10.)

In order to recommend effective measures against incendiary losses, the relation that insurance bears to the values of risk becomes of paramount importance. (See queries 9, 10 and 11.)

In addition you will need to divide your loss record into *direct losses*, i.e., occasioned in the building where the fire originated; and, secondly, the *indirect* or *exposure* loss.

You will also need to adopt a short classification of losses under a few general heads, as you may find them in the Chronicle Fire Tables, which shall show:

1. How many fires happen from the hazards inherent to the occupation?
2. How many from ordinary accidents and carelessness?
3. How many from exposures?
4. How many from design?

Armed with such data corroborated by hundreds of other cities showing practically the same evils and the same results, you will ask your city authorities or legislators to require, as Massachusetts has done, the cause of every fire to be investigated, and such request will not be ignored.

When you can charge the excessively large number of fires to defective flues, unsafe heating and lighting apparatus and dangerous electric equipments, you will heartily join us in appeals for proper building laws and rules for equipments that shall make every person from owner to mechanic, who has had a hand in producing a defective building, flue or electric equipment, amenable to the law.

When you can show to what useless losses we continually expose ourselves from the ordinary friction match, you will insist that an ordinance or law be passed, making it a crime to introduce or use in any place where inflammable materials are kept any match that will ignite from friction wherever it may happen to lie.

When you marshal the facts concerning the frequent conflagrations which wiped out whole cities and villages, and the millions that have been lost every year in consequence of inflammable construction and unprotected exposures, you will join the Underwriters in *persistently insisting* that a State law be passed prohibiting the building of wooden or inflammable roofs within *the corporate limits of any town or village*, and that no wooden structure of any kind (except an open shed) be permitted to be erected higher than the *unoccupied distance to the next nearest building*.

Such a law would do away with the absurdity of our present system of "fire limits," which permits the most dangerous construction until it becomes intolerable, and then draws a circle around such poorly constructed districts, outside of which the same reprehensible construction may continue until it in turn becomes equally dangerous. Thus, a person

outside of the "fire limits" feels compelled to build poorly, because there is no protection against wooden fire-traps being built alongside of and endangering more substantial structures.

And when you can show that full indemnity against loss by fire produces carelessness and indifference to safe construction and watchfulness, you will agree with me that a law prohibiting a payment of more than 80 per cent. of any loss would be the panacea for nearly all our suffering and waste from fire, and would produce the enactment of all the foregoing suggestions with astonishing alacrity.

Reliable and uniform statistics of the number of fires, their causes and destructiveness, must be the chart by which you lay your plans for their *prevention*; and the fire chief of the future will distinguish himself, not by the number of fires extinguished, but by the number averted; not by the number of brave men who went down with defective walls and floors to fiery graves, but by the number of fire traps condemned and made safe or removed.

If the head of the Health Department may have *temporarily* dangerous patients removed so as not to expose the community, why should not the head of the Fire Department cause the removal of dangerous buildings which are a *constant* menace to the safety of a town or neighborhood.

That all the foregoing suggestions are pertinent to our *present* conditions and as urgent as ever will be recognized, when it is known that the appalling loss of property in 1892, which was \$152,000,000 and was 45 per cent. larger than the average loss of the last ten years, was exceeded in 1893 by \$16,000,000, or amounting, according to the Chronicle Fire Tables, to \$168,000,000.

Such figures ought to arouse us to a realization of the consequences which the fearful fire waste is producing, and lead us seriously to consider every means and measure calculated to check it, and I think I made no mistake in relying upon your hearty and intelligent co-operation toward such a result.

I thank you, gentlemen, for your kind attention.

After the reading of the above paper, on motion of Mr. Brophy, the following resolutions were adopted:

*Resolved*, That we recommend to the members of this Association to keep and furnish the fire statistics desired by the National Board of Fire Underwriters as far as it is practicable; and

*Resolved*, That the matter of a uniform system of keeping and reporting fire statistics be referred to the Executive Committee for further action.

At the conclusion of the paper, the following resolution was adopted by the Convention of National Fire Engineers:

*Resolved*, That we recommend that the members of this Association keep the statistics desired by the National Board of Fire Underwriters on the blanks prepared by it, as far as practicable; also, that the matter of keeping uniform fire statistics be referred to the Executive Committee for further action.

**MR. AFFELD** continuing :

Besides, I learn from the Committee on Statistics, that the Fire Chiefs throughout the country have comparatively rendered more assistance to the work of the Committee than it has received from local underwriting organizations; although the local underwriters ought to be more interested in the correctness of the Committee's work than any other class of citizens or organizations.

Although but few of the topics discussed at these meetings are in advance of our investigations, much may be learned by us about the practical application of advanced theories and new discoveries, and much also can be learned at these meetings, of how far the zeal of agents and Companies to increase receipts, counteracts all our efforts and those of the Fire Chiefs to lessen the fearful and unnecessary destruction of property.

It therefore behooves us to carefully scrutinize our own practices, to ascertain if our methods of compensating agents' liberality in policies, conditions by which the insured is relieved of all responsibility, speculative insurances, superficial investigation of causes of fire, and hasty adjustment of losses; in short, if our methods of underwriting are not more to blame for the increasing loss ratio than inexperienced or insufficient fire departments.

All which is respectfully submitted.

F. O. AFFELD, Delegate.

On motion it was regularly moved and seconded that this report be received and spread upon the minutes.

The Committee on Nominations made the following report :

E. A. Walton, for President ;  
 William B. Clark, for Vice-President ;  
 Robt. B. Beath, for Secretary ;  
 Fred W. Arnold, for Treasurer.

And the following gentlemen as members of the Executive Committee:

H. W. Eaton.	} For three years.
E. G. Richards.	
J. J. Clark.	
Geo. P. Sheldon.	
J. A. Silvey, for one year, to fill vacancy.	

It was regularly moved and seconded that the report of the Nominating Committee be received.

Motion carried.

On motion the Secretary was then instructed to cast one ballot for the officers just nominated by the Committee.

The Secretary accordingly cast the ballot for the gentlemen nominated, and the President declared them duly elected.

THE PRESIDENT, in closing the meeting, said: Gentlemen, the twenty-ninth annual dinner of the Board will be held to-night at Delmonico's. Efforts will be made to have with us many of our old members, including some gentlemen who are no longer members of the profession. These annual meetings remind me a good deal of a first-class clock; no matter how good the clock may be it will be no guide without winding. These annual reports from our Committees are analogous to the winding-up of the clock. You meet annually to set the machinery in motion for another twelve months. And let me say that while our proceedings may appear to be colored largely by routine, yet they are necessary, and reflect what has been done during the year; I have had occasion to notice since my election the amount of work done in the office and by the Executive Committee, and the wide range of subjects upon which inquiries are made or information sought by Companies, Local Boards, or others. I thank you, gentlemen, for the honor which you have conferred upon me by a re-election, and which I did not expect or desire. Indeed, a year ago I was resolved to accept the office for a single year only, but as it has come to me again in this cordial and unanimous way, I accept without multiplying words, and

shall continue to serve your interests to the best of my ability. Some one has said that lighthouses never ring bells nor fire cannon to show that they are at work, but shine right on, and in this respect I like to think that this Board resembles the lighthouses, and that quietly good work is being constantly done which will tell in the future as in the past, on the conduct of the business throughout the entire country.

On motion the Board then adjourned.

ROBT. B. BEATH,

*Secretary.*

---

NOTE.—The annual Banquet of the Board was held in the evening at Delmonico's. The President presided and eighty-two guests and representatives of companies were present. There was no prepared programme, the toasts and speaking being informal and no notes of the addresses were taken.







Stanford University Libraries



3 6105 019 970 768

STANFORD UNIVERSITY LIBRARIES  
STANFORD AUXILIARY LIBRARY  
STANFORD, CALIFORNIA 94305-6004  
(650) 723-9201  
salcirc@sulmail.stanford.edu  
All books are subject to recall.  
DATE DUE

JUN 30 2000

JUL 1 2000

